

TITLE XXXVII INSURANCE

CHAPTER 402-C INSURERS REHABILITATION AND LIQUIDATION

Section 402-C:1

402-C:1 Title, Construction and Purpose. –

I. SHORT TITLE. This chapter may be cited as the "Insurers Rehabilitation and Liquidation Act."

II. CONSTRUCTION: NO LIMITATION OF POWERS. This chapter shall not be interpreted to limit the powers granted the commissioner by other provisions of the law.

III. LIBERAL CONSTRUCTION. This chapter shall be liberally construed to effect the purpose stated in paragraph IV.

IV. PURPOSE. The purpose of this chapter is the protection of the interests of insureds, creditors, and the public generally, with minimum interference with the normal prerogatives of proprietors, through:

(a) Early detection of any potentially dangerous condition in an insurer, and prompt application of appropriate corrective measures, neither unduly harsh nor subject to the kind of publicity that would needlessly damage or destroy the insurer;

(b) Improved methods for rehabilitating insurers, by enlisting the advice and management expertise of the insurance industry;

(c) Enhanced efficiency and economy of liquidation, through clarification and specification of the law, to minimize legal uncertainty and litigation;

(d) Equitable apportionment of any unavoidable loss;

(e) Lessening the problems of interstate rehabilitation and liquidation by facilitating cooperation between states in the liquidation process, and by extension of the scope of personal jurisdiction over debtors of the insurer outside this state; and

(f) Regulation of the insurance business by the impact of the law relating to delinquency procedures and substantive rules on the entire insurance business.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:2

402-C:2 Persons Covered. – The proceedings authorized by this chapter may be applied to:

I. All insurers who are doing, or have done, an insurance business in this state, and against whom claims arising from that business may exist now or in the future;

II. All insurers who purport to do an insurance business in this state;

III. All insurers who have insureds resident in this state;

IV. All other persons organized or in the process of organizing with the intent to do an insurance business in this state; and

V. All nonprofit health service corporations as defined in RSA 420-A and all fraternal benefit and mutual benefit societies as defined in RSA 418.

Source. 1969, 272:1. 1997, 190:4, eff. Jan. 1, 1998.

Section 402-C:3

402-C:3 Definitions. – For the purposes of this chapter:

- I. "Commissioner" means the commissioner of insurance or equivalent insurance supervisory official.
- II. "Receiver" means receiver, liquidator, rehabilitator or conservator, as the context requires.
- III. "Insurer" means any person who is doing, has done, purports to do or is licensed to do an insurance business and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization or conservation by, a commissioner. For purposes of this chapter, all other persons included under this section shall be deemed to be insurers.
- IV. "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing or conserving such insurer, and any summary proceeding under RSA 402-C:11-14.
- V. "State" means any state of the United States and the Panama Canal Zone.
- VI. "Foreign country" means territory not in any state.
- VII. "Domiciliary state" means the state in which an insurer is incorporated or organized or, in the case of an alien insurer, the state in which the insurer has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and on deposit for the benefit of policyholders and creditors in the United States.
- VIII. "Ancillary state" means any state other than a domiciliary state.
- IX. "Reciprocal state" means any state other than this state in which in substance and effect RSA 402-C:21, I, RSA 402-C:54, I and II and RSA 402-C:55, 57, and 60 are in force, and in which provisions are in force requiring that the commissioner be the receiver of a delinquent insurer, and in which some provision exists for the avoidance of fraudulent conveyances and preferential transfers.
- X. "General assets" means all property, real, personal or otherwise, not specifically mortgaged, pledged, deposited or otherwise encumbered for the security or benefit of specified persons or limited classes of persons, and as to specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sums secured thereby. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets.
- XI. "Preferred claim" means any claim with respect to which the law accords priority of payment from the general assets of the insurer.
- XII. "Special deposit claim" means any claim secured by a deposit made pursuant to law for the security or benefit of one or more limited classes of persons, but not including any claim secured by general assets.
- XIII. "Secured claim" means any claim secured by mortgage, trust deed, pledge, deposit as security, escrow or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which have become liens upon specific assets by reason of judicial process, except where they have been invalidated.
- XIV. "Insolvency" means:
 - (a) For an insurer organized as a town or county mutual, the inability to pay any loss within 30 days after the due date specified in the first assessment notice issued after the date of the loss, or any other uncontested debt as it becomes due.
 - (b) For any other insurer, that it is unable to pay its debts or meet its obligations as they mature or that its assets do not exceed its liabilities plus the greater of 1.) any capital and surplus required by law to be constantly maintained, or 2.) its authorized and issued capital stock. For purposes of this subparagraph, "assets" includes 1/2 of the maximum total assessment liability of the policyholders of the insurer, and "liabilities" includes reserves required by law. For policies issued on the basis of unlimited assessment liability, the maximum total liability, for purposes of determining solvency only, shall be deemed to be that amount that could be obtained if there were 100 percent collection of an assessment at the rate of 10 mills.
- XV. "Fair consideration" is given for property or an obligation:
 - (a) When in exchange for such property or obligation, as a fair equivalent therefor, and in good faith, property is conveyed or services are rendered or obligation is incurred or an antecedent debt is satisfied; or
 - (b) When such property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.

XVI. "Creditor" is a person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent.

XVII. "Transfer" includes the sale and every other method, direct or indirect, of disposing of or of parting with property or with an interest therein or with the possession thereof or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be deemed a transfer suffered by the debtor.

XVIII. "Doing business" has the meaning designated in RSA 406-B:2.

XIX. "Association" means either the New Hampshire insurance guaranty association created under RSA 404-B:6 or the New Hampshire life and health insurance guaranty association created under RSA 404-D:6.

Source. 1969, 272:1. 1975, 348:10, eff. Aug. 6, 1975.

Section 402-C:4

402-C:4 Jurisdiction and Venue. –

I. ACTIONS BY COMMISSIONER. Except as provided in paragraph II of this section and RSA 402-C:24, I, no delinquency proceeding shall be commenced under this chapter by anyone other than the commissioner of this state and no court shall have jurisdiction to entertain, hear or determine any proceeding commenced by any other person.

II. ACTIONS BY JUDGMENT CREDITORS.

(a) The judgment creditors of 3 or more unrelated judgments may commence proceedings under the conditions and in the manner prescribed in this section, by serving notice upon the commissioner and the insurer of intention to file a petition for liquidation under RSA 402-C:20 or 53. Each of the judgments must:

- (1) Have been rendered against the insurer by a court in this state having jurisdiction over the subject matter and the insurer;
- (2) Have been entered more than 60 days before the service of notice;
- (3) Not have been paid in full;
- (4) Not be the subject of a valid contract between the insurer and any judgment creditor for payment of the judgment, unless the contract has been breached by the insurer; and
- (5) Not be a judgment on which an appeal or review is pending.

(b) If any one of the judgments in favor of a petitioning creditor remains unpaid for 30 days after service of the notice, and the commissioner has not then filed a petition for liquidation, the creditor may file in the name of the commissioner a verified petition for liquidation of the insurer under RSA 402-C:20 or 53 alleging the conditions stated in this paragraph. The commissioner shall be served and joined in the action.

III. EXCLUSIVENESS OF PROCEEDINGS. No court of this state shall have jurisdiction to entertain, hear or determine any complaint praying for the dissolution, liquidation, rehabilitation, sequestration, conservation or receivership of any insurer, or praying for an injunction or restraining order or other relief preliminary to, incidental to or relating to such proceedings other than in accordance with this chapter.

IV. CHANGE OF VENUE. Venue for proceedings arising under this chapter shall be laid initially as specified in the sections providing for such proceedings. All other actions and proceedings initiated by the receiver may be commenced and tried where the delinquency proceedings are then pending or Merrimack county superior court. All other actions and proceedings against the receiver shall be commenced and tried in the county where the delinquency proceedings are pending. At any time upon motion of any party, venue may be changed by order of the court or the presiding judge thereof to any other superior court in this state, as the convenience of the parties and witnesses and the ends of justice may require. This paragraph relates only to venue and is not jurisdictional.

V. PERSONAL JURISDICTION, GROUNDS FOR. In addition to other grounds for jurisdiction provided by the laws of this state, a court of this state having jurisdiction of the subject matter has jurisdiction over a person served in an action brought by the receiver of a domestic insurer or an alien insurer domiciled in this state:

- (a) If the person served is an agent, broker, or other person who has at any time written policies of

insurance for or has acted in any manner whatsoever on behalf of an insurer against which a delinquency proceeding has been instituted, in any action resulting from or incident to such a relationship with the insurer.

(b) If the person served is a reinsurer who has at any time entered into a contract of reinsurance with an insurer against which a delinquency proceeding has been instituted, or is an agent or broker of or for the reinsurer, in any action on or incident to the reinsurance contract.

(c) If the person served is or has been an officer, director, manager, trustee, organizer, promoter, or other person in a position of comparable authority or influence over an insurer against which a delinquency proceeding has been instituted, in any action resulting from or incident to such a relationship with the insurer.

(d) If the person served is or was at the time of the institution of the delinquency proceeding against the insurer holding assets in which the receiver claims an interest on behalf of the insurer, in any action concerning the assets.

(e) If the person served is obligated to the insurer in any way whatsoever, in any action on or incident to the obligation.

VI. FORUM NON CONVENIENS. If the court on motion of any party finds that any action commenced under paragraph V should as a matter of substantial justice be tried in a forum outside this state, the court may enter an order to stay further proceedings on the action in this state.

Source. 1969, 272:1. 1991, 96:1, eff. Jan. 1, 1992.

Section 402-C:5

402-C:5 Injunctions and Orders. –

I. INJUNCTIONS IN THIS STATE. Any receiver appointed in a proceeding under this chapter may at any time apply for and any court of general jurisdiction in this state may grant, such restraining orders, temporary and permanent injunctions, and other orders as are deemed necessary and proper to prevent:

- (a) The transaction of further business;
- (b) The transfer of property;
- (c) Interference with the receiver or with the proceedings;
- (d) Waste of the insurer's assets;
- (e) Dissipation and transfer of bank accounts;
- (f) The institution or further prosecution of any actions or proceedings;
- (g) The obtaining of preferences, judgments, attachments, garnishments or liens against the insurer or its assets;
- (h) The levying of execution against the insurer or its assets;
- (i) The making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;
- (j) The withholding from the receiver of books, accounts, documents or other records relating to the business of the insurer; or
- (k) Any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors or shareholders, or the administration of the proceeding.

II. INJUNCTIONS ELSEWHERE. The receiver may apply to any court outside of this state for the relief described in paragraph I.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:6

402-C:6 Costs and Expenses of Litigation. – In any proceeding under this chapter, the court may award such costs and other expenses of litigation as justice requires, without regard to the limitations otherwise prescribed by law. If costs and expenses are taxed against the commissioner, they shall be paid pursuant to RSA

402-C:44, I.

Source. 1969, 272:1. 1997, 221:2, eff. July 1, 1997.

Section 402-C:7

402-C:7 Cooperation of Officers and Employees. –

I. DUTY TO COOPERATE. Any officer, manager, trustee or general agent of any insurer and any other person with executive authority over or in charge of any segment of the insurer's affairs shall cooperate with the commissioner in any proceeding under this chapter or any investigation preliminary or incidental to the proceeding. "To cooperate" includes, but is not limited to the following:

- (a) To reply promptly in writing to any inquiry from the commissioner requesting such a reply; and
- (b) To make available and deliver to the commissioner any books, accounts, documents or other records, or information or property of or pertaining to the insurer and in his possession, custody or control.

II. DUTY NOT TO OBSTRUCT. No person shall obstruct or interfere with the commissioner in the conduct of any delinquency proceeding or any investigation preliminary or incidental thereto.

III. RIGHT TO DEFEND. This section shall not render it illegal to resist by legal proceedings the petition for liquidation or other delinquency proceedings, or other orders.

IV. SANCTION. Any person included within RSA 402-C:7, I who fails to cooperate with the commissioner, or any person who obstructs or interferes with the commissioner in the conduct of any delinquency proceeding or any investigation preliminary or incidental thereto, shall be guilty of a misdemeanor if a natural person, or guilty of a felony if any other person.

Source. 1969, 272:1. 1973, 528:278, eff. at 11:59 P.M., Oct. 31, 1973.

Section 402-C:8

402-C:8 Bonds. – In any proceeding under this chapter the commissioner and his deputies shall be responsible on their official bonds for the faithful performance of their duties. If the court deems it desirable for the protection of the assets, it may at any time require an additional bond from the commissioner or his deputies.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:9

402-C:9 Commissioner's Reports. –

I. GENERAL REPORT OF PROCEEDINGS. The commissioner shall include in his annual report:

- (a) FORMAL PROCEEDINGS. The names of the insurers proceeded against under RSA 402-C:15, 20, 24, 52, 53, and 55 and such other facts as indicate in reasonable detail his formal proceedings under this chapter; and

- (b) INFORMAL PROCEEDINGS. Such facts as generally indicate the utilization and effectiveness of proceedings under RSA 402-C:11, 12 and 13.

II. SPECIAL REPORTS.

- (a) CAUSES OF DELINQUENCY. The commissioner shall include in the annual report, not later than the second annual report following the initiation of any formal proceedings under this chapter, a detailed analysis of the basic causes and the contributing factors making the initiation of formal proceedings necessary, and shall make recommendations for remedial legislation. For this purpose the commissioner may appoint a special assistant qualified in insurance, finance and accounting to conduct the study and prepare the analysis, and may determine the special assistant's compensation, which shall be paid pursuant to RSA 402-C:44, I.

(b) FINAL STUDY. The commissioner shall include in the annual report, not later than the second annual report following discharge of the receiver, a detailed study of the delinquency proceeding for each insurer subjected to a formal proceeding, with an analysis of the problems faced and their solutions. The commissioner shall also suggest alternative solutions, as well as other material of interest, for the purpose of assisting and guiding liquidators or rehabilitators in the future. For this purpose the commissioner may appoint a special assistant qualified to conduct the study and prepare the analysis, and may determine the special assistant's compensation, which shall be paid pursuant to RSA 402-C:44, I.

III. REPORTS ON INSURERS SUBJECT TO PROCEEDINGS. The commissioner as receiver shall make and file annual reports and any other required reports for the companies proceeded against under RSA 402-C:15, 20, 24, 52, 53 and 55 in the manner and form and within the time required by law of insurers authorized to do business in this state, and under the same penalties for failure to do so.

Source. 1969, 272:1. 1997, 221:3, eff. July 1, 1997.

Section 402-C:10

402-C:10 Delinquency Proceedings. –

I. Every proceeding commenced before June 23, 1969, is deemed to have commenced under this chapter for the purpose of conducting the proceeding thereafter, except that in the discretion of the commissioner the proceeding may be continued, in whole or in part, as it would have been continued had this chapter not been enacted.

II. Until all payments of or on account of the insurer's contracted delegations by all guaranty associations, along with all expenses thereof and interest on all such payments and expenses, shall have been repaid to the guaranty associations or a plan of repayment by the insurer shall have been approved by the guaranty association, no insurer that is subject to any delinquency proceeding shall:

- (a) Be released from such proceeding, unless such proceeding is converted into a judicial rehabilitation or liquidation proceeding;
- (b) Be permitted to solicit or accept new business or accept the restoration of any suspended or revoked license or certificate of authority;
- (c) Be returned to the control of its shareholders or private management; or
- (d) Have any of its assets returned to the control of its shareholders or private management.

Source. 1969, 272:1. 1991, 96:2, eff. Jan. 1, 1992.

Summary Proceedings

Section 402-C:11

402-C:11 Commissioner's Summary Orders. –

I. SUMMARY ORDER AFTER HEARING. Whenever the commissioner has reasonable cause to believe, and determines after a hearing held as prescribed in paragraph III, that any insurer has committed or engaged in, or is committing or engaging in or is about to commit or engage in any act, practice or transaction that would subject it to formal delinquency proceedings under this chapter, he may make and serve upon the insurer and any other persons involved, such orders other than seizure orders under RSA 402-C:12 and 13 as are reasonably necessary to correct, eliminate or remedy such conduct, condition or ground. If the order is for a restoration of or addition to capital, it may be carried out as provided in RSA 403.

II. SUMMARY ORDER BEFORE HEARING. If the conditions of paragraph I are satisfied, and if it appears to the commissioner that irreparable harm to the property or business of the insurer or to the interest of its policyholders, creditors or the public may occur unless he issues with immediate effect the orders described in paragraph I he may make and serve such orders without notice and before hearing, simultaneously serving upon

the insurer notice of hearing under paragraph III.

III. SERVICE, NOTICE, HEARING. The notice of hearing under paragraphs I or II and the summary order issued under paragraphs I or II shall be reasonably calculated to fairly and reasonably notify the recipient of the time and place of hearing, and the conduct, condition or ground upon which the commissioner would base his order; the notice of hearing under paragraph II shall state the time and place of hearing. Unless mutually agreed between the commissioner and the insurer, the hearing shall occur not less than 10 days nor more than 30 days after notice is served and shall be either in Concord or in some other place convenient to the parties to be designated by the commissioner.

IV. JUDICIAL RELIEF. If the commissioner issues a summary order before hearing under paragraph II, the insurer may at any time waive the commissioner's hearing and apply for immediate judicial relief by means of any remedy afforded by law without first exhausting administrative remedies. Subsequent to a hearing the insurer or any person whose interests are substantially affected shall be entitled to judicial review of any order issued by the commissioner.

V. SANCTION. If any person has violated any order issued under this section which as to him was then still in effect, he shall be liable to forfeit a sum not to exceed \$10,000. The penalty shall be imposed and collected in an action brought by the attorney general and shall be paid into the state treasury.

VI. ENFORCEMENT BY INJUNCTION. The commissioner may apply for and any superior court may grant, such restraining orders, temporary and permanent injunctions and other orders as are deemed necessary to enforce a summary order.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:12

402-C:12 Court's Seizure Order. –

I. ISSUANCE. Upon the filing by the commissioner in any superior court in this state of a verified petition alleging any ground that would justify a court order for a formal delinquency proceeding against an insurer under this chapter and that the interests of policyholders, creditors or the public will be endangered by delay, and setting out the order deemed necessary by the commissioner, the court shall issue forthwith, ex parte and without a hearing, the requested order which may a) direct the commissioner to take possession and control of all or a part of the property, books, accounts, documents and other records of an insurer and of the premises occupied by it for the transaction of its business, and b) until further order of the court, enjoin the insurer and its officers, managers, agents, and employees from disposition of its property and from transaction of its business except with the written consent of the commissioner.

II. DURATION. The court shall specify in the order what its duration shall be, which shall be such time as the court deems necessary for the commissioner to ascertain the condition of the insurer. On motion of either party or on its own motion, the court may hold such hearings as it deems desirable after such notice as it deems appropriate, and may extend, shorten or modify the terms of the seizure order. The court shall vacate the seizure order if the commissioner fails to commence a formal proceeding under this chapter after having had a reasonable opportunity to do so. The issuance of an order of the court pursuant to a formal proceeding under this chapter vacates the seizure order.

III. ANTICIPATORY BREACH. Entry of a seizure order under this section shall not constitute an anticipatory breach of any contract of the insurer.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:13

402-C:13 Commissioner's Seizure Order. –

I. ISSUANCE. If it appears to the commissioner that the interests of creditors, policyholders or the public

will be endangered by the delay incident to asking for a court seizure order, then on any ground that would justify a court seizure order under RSA 402-C:12 without notice and without applying to the court, he may issue a seizure order which must contain a verified statement of the grounds of his action. As directed by the seizure order, the commissioner's representatives shall forthwith take possession and control of all or part of the property, books, accounts, documents and other records of the insurer, and of the premises occupied by the insurer for the transaction of its business. The commissioner shall retain possession and control until the order is vacated or is replaced by an order of the court pursuant to a proceeding commenced under paragraph II or a formal proceeding under this chapter.

II. JUDICIAL REVIEW. At any time after seizure under paragraph I, the insurer may apply to the superior court for Merrimack county or for the county in which the insurer's principal office is located. The court shall thereupon order the commissioner to appear forthwith and shall proceed thereafter as if the order were a court seizure order issued under RSA 402-C:12.

III. DUTY TO ASSIST COMMISSIONER. Every law enforcement officer shall assist the commissioner in making and enforcing any such seizure, and every sheriff's and police department shall furnish with such deputies, patrolmen or officers as are necessary to assist him.

IV. ANTICIPATORY BREACH. Entry of a seizure order under this section shall not constitute an anticipatory breach of any contract of the insurer.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:14

402-C:14 Conduct of Hearings in Summary Proceedings. –

I. CONFIDENTIALITY OF COMMISSIONER'S HEARINGS. The commissioner shall hold all hearings in summary proceedings privately unless the insurer requests a public hearing, in which case the hearing shall be public.

II. CONFIDENTIALITY OF COURT HEARINGS. The court may hold all hearings in summary proceedings and judicial reviews thereof privately in chambers, and shall do so on request of the insurer proceeded against.

III. RECORDS. In all summary proceedings and judicial reviews thereof, all records of the company, other documents, and all insurance department files and court records and papers, so far as they pertain to or are a part of the record of the summary proceedings, shall be and remain confidential except as is necessary to obtain compliance therewith, unless the court, after hearing arguments from the parties in chamber, shall order otherwise, or unless the insurer requests that the matter be made public. Until such court order, all papers, filed with the clerk of the court shall be held by him in a confidential file.

IV. PARTIES. If at any time it appears to the court that any person whose interest is or will be substantially affected by an order did not appear at the hearing and has not been served, the court may order that notice be given and the proceedings be adjourned to give him opportunity to appear on such terms as may be just.

V. SANCTIONS. Any person having possession or custody of and refusing to deliver any of the property, books, accounts, documents or other records of an insurer against which a seizure order or a summary order has been issued by the commissioner or by the court, shall be guilty of a misdemeanor if a natural person, or guilty of a felony if any other person.

Source. 1969, 272:1. 1973, 528:279, eff. Oct. 31, 1973 at 11:59 p.m.

Formal Proceedings

Section 402-C:15

402-C:15 Grounds for Rehabilitation. – The commissioner may apply by verified petition to the superior court for Merrimack county or for the county in which the principal office of the insurer is located for an order

directing him to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

I. Any ground on which he may apply for an order of liquidation under RSA 402-C:20 whenever he believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer or to the public;

II. That the commissioner has reasonable cause to believe that there has been embezzlement from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, that if established would endanger assets in an amount threatening the solvency of the insurer;

III. That information coming into the commissioner's possession has disclosed substantial and not adequately explained discrepancies between the insurer's records and the most recent annual report or other official company reports;

IV. That the insurer has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business;

V. That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy;

VI. That any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person, has refused to be examined under oath by the commissioner concerning its affairs, whether in this state or elsewhere, and after reasonable notice of the fact the insurer has failed promptly and effectively to terminate the employment and status of the person and all his influence on management;

VII. That after demand by the commissioner the insurer has failed to submit promptly any of its own property, books, accounts, documents or other records, or those of any subsidiary or related company within the control of the insurer, or those of any person having executive authority in the insurer so far as they pertain to the insurer, to reasonable inspection or examination by the commissioner or his authorized representative. If the insurer is unable to submit the property, books, accounts, documents or other records of a person having executive authority in the insurer, it shall be excused from doing so if it promptly and effectively terminates the relationship of the person to the insurer;

VIII. That without first obtaining the written consent of the commissioner, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate or reinsure substantially its entire property or business in or with the property or business of any other person;

IX. That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under this chapter, and that such appointment has been made or is imminent, and that such appointment might oust the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under this chapter;

X. That within the previous year the insurer has wilfully violated its charter or articles of incorporation or its bylaws or any insurance law or regulation of any state, or of the federal government, or any valid order of the commissioner under RSA 402-C:11 or having become aware within the previous year of an unintentional violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent future violations;

XI. That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors, its policyholders or the public is threatened by reason thereof;

XII. That the insurer has failed to pay for 60 days after due date any obligation to this state or any political subdivision thereof or any judgment entered in this state, except that such nonpayment shall not be a ground until 60 days after any good faith effort by the insurer to contest the obligation has been terminated, whether it is before the commissioner or in the courts;

XIII. That the insurer has failed to file its annual report or other report within the time allowed by law, and

after written demand by the commissioner has failed to give an adequate explanation immediately;

XIV. That 2/3 of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under this chapter.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:16

402-C:16 Rehabilitation Orders. –

I. APPOINTMENT OF REHABILITATOR. An order to rehabilitate the business of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the commissioner and his successors in office rehabilitator and shall direct the rehabilitator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The filing or recording of the order with any register of deeds in the state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that register of deeds.

II. ANTICIPATORY BREACH. Entry of an order of rehabilitation shall not constitute an anticipatory breach of any contracts of the insurer.

III. Any order issued under this section shall require accountings to the court by the rehabilitator. Accountings shall be at such intervals as the court specifies in its order, but no less frequently than semi-annually.

Source. 1969, 272:1. 1991, 96:3, eff. Jan. 1, 1992.

Section 402-C:17

402-C:17 Powers and Duties of the Rehabilitator. –

I. SPECIAL DEPUTY COMMISSIONER. The commissioner as rehabilitator shall make every reasonable effort to employ an active or retired senior executive from a successful insurer to serve as special deputy commissioner to rehabilitate the insurer. The special deputy shall have all of the powers of the rehabilitator granted under this section. To obtain a suitable special deputy, the commissioner may consult with and obtain the assistance and advice of executives of insurers doing business in this state. Subject to court approval, the commissioner shall make such arrangements for compensation as are necessary to obtain a special deputy of proven ability. The special deputy shall serve at the pleasure of the commissioner.

II. GENERAL POWER. Subject to court approval, the rehabilitator may take such action as he deems necessary or expedient to reform and revitalize the insurer. He shall have all the powers of the officers and managers, whose authority shall be suspended, except as they are redelegated by the rehabilitator. He shall have full power to direct and manage, to hire and discharge employees subject to any contract rights they may have and to deal with the property and business of the insurer.

III. ADVICE FROM EXPERTS. The rehabilitator may consult with and obtain formal or informal advice and aid of insurance experts.

IV. PURSUIT OF INSURER'S CLAIMS AGAINST INSIDERS. If the rehabilitator finds that there has been criminal or tortious conduct or breach of any contractual or fiduciary obligation detrimental to the insurer by any officer, manager, agent, broker, employee or other person, he may pursue all appropriate legal remedies on behalf of the insurer.

V. REORGANIZATION PLAN. The rehabilitator may prepare a plan for the reorganization, consolidation, conversion, reinsurance, merger or other transformation of the insurer. Upon application of the rehabilitator for approval of the plan, and after such notice and hearing as the court prescribes, the court may either approve or disapprove the plan proposed, or may modify it and approve it as modified. If it is approved, the rehabilitator shall carry out the plan. In the case of a life insurer, the plan proposed may include the imposition of liens upon

the equities of policyholders of the company, if all rights of shareholders are first relinquished. A plan for a life insurer may also propose imposition of a moratorium upon loan and cash surrender rights under policies, for such period and to such an extent as are necessary.

VI. FRAUDULENT TRANSFERS. The rehabilitator shall have the power to avoid fraudulent transfers under RSA 402-C:30 and 31.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:18

402-C:18 Actions by and Against Rehabilitator. –

I. STAYS IN PENDING LITIGATION. On request of the rehabilitator, any court in this state before which any action or proceeding by or against an insurer is pending when a rehabilitation order against the insurer is entered shall stay the action or proceeding for such time as is necessary for the rehabilitator to obtain proper representation and prepare for further proceedings. The court that entered the rehabilitation order shall order the rehabilitator to take such action respecting the pending litigation as the court deems necessary in the interests of justice and for the protection of creditors, policyholders and the public. The rehabilitator shall immediately consider all litigation pending outside this state and shall petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of the insurer.

II. STATUTES OF LIMITATIONS ON CLAIMS BY INSURER. The time between the filing of a petition for rehabilitation against an insurer and denial of the petition or an order of rehabilitation shall not be considered to be a part of the time within which any action may be commenced by the insurer. Any action by the insurer that might have been commenced when the petition was filed may be commenced at least 60 days after the order of rehabilitation is entered.

III. STATUTES OF LIMITATIONS ON CLAIMS AGAINST INSURER. The time between the filing of a petition for rehabilitation against an insurer and the denial of the petition or an order of rehabilitation shall not be considered to be a part of the time within which any action may be commenced against the insurer. Any action against the insurer that might have been commenced when the petition was filed may be commenced for at least 60 days after the order of rehabilitation is entered or the petition is denied.

IV. Any guaranty association or foreign guaranty association covering life or health insurance or annuities shall have standing to appear in any court proceeding concerning the rehabilitation of a life or health insurer if such association is or may become liable to act as a result of the rehabilitator.

Source. 1969, 272:1. 1991, 96:4, eff. Jan. 1, 1992.

Section 402-C:19

402-C:19 Termination of Rehabilitation. –

I. TRANSFORMATION TO LIQUIDATION. Whenever he believes that further attempts to rehabilitate an insurer would substantially increase the risk of loss to creditors, policyholders, or the public, or would be futile, the rehabilitator may petition the court for an order of liquidation. A petition under this subsection shall have the same effect as a petition under RSA 402-C:20. The court shall permit the directors to defend against the petition and shall order payment from the estate of the insurer of such costs and other expenses of defense as justice requires.

II. ORDER TO RETURN TO COMPANY. The rehabilitator may at any time petition the court for an order terminating rehabilitation of an insurer. If the court finds that rehabilitation has been accomplished and that grounds for rehabilitation under RSA 402-C:15 no longer exist, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make that finding and issue that order at any time upon its own motion.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:20

402-C:20 Grounds for Liquidation. – The commissioner may apply by verified petition to the superior court for Merrimack county or for the county in which the principal office of the insurer is located for an order directing him to liquidate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

I. Any ground on which he may apply for an order of rehabilitation under RSA 402-C:15 whenever he believes that attempts to rehabilitate the insurer would substantially increase the risk of loss to its creditors, its policyholders or the public, or would be futile, or that rehabilitation would serve no useful purpose;

II. That the insurer is or is about to become insolvent;

III. That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements;

IV. That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors or the public;

V. That the insurer has not transacted the business of insurance during the previous 12 months or has transacted only a token insurance business during that period, although authorized to do so throughout that period, or that more than 12 months after incorporation it has failed to become authorized to do an insurance business;

VI. That within the previous 12 months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full;

VII. That the insurer has commenced, or within the previous year has attempted to commence, voluntary liquidation otherwise than under the insurance laws of this state;

VIII. That the insurer has concealed records or assets from the commissioner or improperly removed them from the jurisdiction;

IX. That the insurer does not satisfy the requirements that would be applicable if it were seeking initial authorization to do an insurance business in this state, except for:

(a) Requirements that are intended to apply only at the time the initial authorization to do business is obtained, and not thereafter; and

(b) Requirements that are expressly made inapplicable by the laws establishing the requirements;

X. That the holders of 2/3 of the shares entitled to vote, or 2/3 of the members or policyholders entitled to vote in an insurer controlled by its members or policyholders, have consented to a petition.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:21

402-C:21 Liquidation Orders. –

I. ORDER TO LIQUIDATE. An order to liquidate the business of a domestic insurer shall appoint the commissioner and his successors in office liquidator and shall direct the liquidator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The liquidator shall be vested by operation of law with the title to all of the property, contracts and rights of action and all of the books and records of the insurer ordered liquidated, wherever located, as of the date of the filing of the petition for liquidation. He may recover and reduce the same to possession except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are prescribed in RSA 402-C:55, III for ancillary receivers appointed in this state as to assets located in this state. The filing or recording of the order with any register of deeds in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that register of deeds.

II. **FIXING OF RIGHTS.** Upon issuance of the order, the rights and liabilities of any such insurer and of its creditors, policyholders, shareholders, members and all other persons interested in its estate are fixed as of the date of filing of the petition for liquidation, except as provided in RSA 402-C:22 and 39.

III. **ALIEN INSURER.** An order to liquidate the business of an alien insurer domiciled in this state shall be in the same terms and have the same legal effect as an order to liquidate a domestic insurer, except that the assets and the business in the United States shall be the only assets and business included under the order.

IV. **DECLARATION OF INSOLVENCY.** At the time of petitioning for an order of liquidation, or at any time thereafter, the commissioner may petition the court to declare the insurer insolvent, and after such notice and hearing as it deems proper, the court may make the declaration.

V. Any order issued under this section shall require financial reports to the court by the liquidator. Financial reports shall include, at a minimum, the assets and liabilities of the insurer and all funds received or disbursed by the liquidator during the current period. Financial reports shall be filed within one year of the liquidation order and at least annually thereafter.

VI. (a) On or before January 6, 1992, or, if later, within 5 days after the initiation of an appeal of an order of liquidation, which order has not been stayed, the commissioner shall present for the court's approval a plan for the continued performance of the defendant company's policy claims obligations, including the duty to defend insureds under liability insurance policies, during the pendency of an appeal. Such plan shall provide for the continued performance and payment of policy claims obligations in the normal course of events, notwithstanding the grounds alleged in support of the order of liquidation including the ground of insolvency. If the defendant company's financial condition is, in the judgment of the commissioner, unable to support the full performance of all policy claims obligations during the appeal pendency period, the plan may prefer the claims of certain policyholders and claimants over creditors and interested parties as well as other policyholders and claimants, as the commissioner finds to be fair and equitable considering the relative circumstances of such policyholders and claimants. The court shall examine the plan submitted by the commissioner and if it finds the plan to be in the best interests of the parties, the court shall approve the plan. No action shall lie against the commissioner or any of his deputies, agents, clerks, assistants or attorneys by any party based on preference in an appeal pendency plan approved by the court.

(b) The appeal pendency plan shall not supersede or affect the obligations of any insurance guaranty association.

(c) Any such plans shall provide for equitable adjustments to be made by the liquidator to any distributions of assets to guaranty associations, in the event that the liquidator pays claims from assets of the estate, which would otherwise be the obligations of any particular guaranty association but for the appeal of the order of liquidation, such that all guaranty associations equally benefit on a pro rata basis from the assets of the estate. Further, in the event an order of liquidation is set aside upon any appeal, the company shall not be released from delinquency proceedings unless and until all funds advanced by any guaranty association, including reasonable administrative expenses in connection with the proceedings relating to obligations of the company, shall be repaid in full, together with interest at the judgment rate of interest or unless an arrangement for repayment thereof has been made with the consent of all applicable guaranty associations.

Source. 1969, 272:1. 1991, 96:5, eff. Jan. 1, 1992.

Section 402-C:22

402-C:22 Continuance of Coverage. –

I. All insurance policies issued by the insurer shall continue in force:

- (a) For a period of 30 days from the date of entry of the liquidation order;
- (b) Until the normal expiration of the policy coverage;
- (c) Until the insured has replaced the insurance coverage with equivalent insurance in another insurer; or
- (d) Until the liquidator has effected a transfer of the policy obligation pursuant to RSA 402-C:25, VIII; whichever time is less.

II. If the coverage continued under this section is replaced by insurance that is not equivalent, the coverage

continued under this section shall be excess coverage over the replacement policy to the extent of the deficiency. Claims arising during the continuation of coverage shall be treated as if they arose immediately before the petition for liquidation. Coverage under this section shall not satisfy any legal obligation of the insured to carry insurance protection, whether the obligation is created by law or by contract.

Source. 1969, 272:1. 1991, 96:6, eff. Jan. 1, 1992.

Section 402-C:23

402-C:23 Dissolution of Insurer. – The commissioner may petition for an order dissolving the corporate existence of a domestic insurer or the United States branch of an alien insurer domiciled in this state at the time he applies for a liquidation order. If the court issues a liquidation order, it also shall order dissolution if the commissioner has petitioned for it. The court shall order dissolution of the corporation upon petition by the commissioner at any time after a liquidation order has been granted. If the dissolution has not previously occurred, it shall be effected by operation of law upon the discharge of the liquidator.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:24

402-C:24 Federal Receivership. –

I. PETITION FOR FEDERAL RECEIVER. Whenever in the commissioner's opinion, liquidation of a domestic insurer or an alien insurer domiciled in this state would be facilitated by a federal receivership, and when any ground exists upon which the commissioner might petition the court for an order of rehabilitation or liquidation under RSA 402-C:15 or 20, or if an order of rehabilitation or liquidation has already been entered, the commissioner may request another commissioner or other willing resident of another state to petition any appropriate federal district court for the appointment of a federal receiver. The commissioner may intervene in any such action to support or oppose the petition, and may accept appointment as the receiver if he is so designated. So much of this chapter shall apply to the receivership as can be made applicable and is appropriate. Upon motion of the commissioner, the courts of this state shall relinquish all jurisdiction over the insurer for purposes of rehabilitation or liquidation.

II. COMPLIANCE WITH FEDERAL REQUIREMENTS. If the commissioner is appointed receiver under this section, he shall comply with any requirements necessary to give him title to and control over the assets and affairs of the insurer.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:25

402-C:25 Powers of Liquidator. – The liquidator shall report to the court monthly, or at other intervals specified by the court, on the progress of the liquidation in whatever detail the court orders. Subject to the court's control, he may:

I. Appoint a special deputy to act for him under this chapter, and determine his compensation. The special deputy shall have all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

II. Appoint or engage employees and agents, legal counsel, actuaries, accountants, appraisers, consultants and other personnel he deems necessary to assist in the liquidation. RSA 98 shall not apply to such persons.

III. Fix the compensation of persons under paragraph II, subject to the control of the court.

IV. Defray all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain

sufficient cash or liquid assets to defray the costs incurred, the liquidator may advance the costs so incurred out of any available appropriation. Any amounts so paid shall be deemed expense of administration and shall be repaid for the credit of the insurance department out of the first available moneys of the insurer.

V. Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine any person under oath and compel any person to subscribe to his testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, records or other documents which he deems relevant to the inquiry.

VI. Collect all debts and moneys due and claims belonging to the insurer, wherever located, and for this purpose institute timely action in other jurisdictions, in order to forestall garnishment and attachment proceedings against such debts; do such other acts as are necessary or expedient to collect, conserve or protect its assets or property, including sell, compound, compromise or assign for purposes of collection, upon such terms and conditions as he deems best, any bad or doubtful debts; and pursue any creditor's remedies available to enforce his claims.

VII. Conduct public and private sales of the property of the insurer in a manner prescribed by the court.

VIII. Use assets of the estate to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under RSA 402-C:44.

IX. Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable, except that no transaction involving property the market value of which exceeds \$10,000 shall be concluded without express permission of the court. He also may execute, acknowledge and deliver any deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation. In cases where real property sold by the liquidator is located other than in the county where the liquidation is pending, the liquidator shall cause to be filed with the register of deeds for the county in which the property is located a certified copy of the order appointing him.

X. Borrow money on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation.

XI. Enter into such contracts as are necessary to carry out the order to liquidate, and affirm or disavow any contracts to which the insurer is a party.

XII. Continue to prosecute and institute in the name of the insurer or in his own name any suits and other legal proceedings, in this state or elsewhere, and abandon the prosecution of claims he deems unprofitable to pursue further. If the insurer is dissolved under RSA 402-C:23, he may apply to any court in this state or elsewhere for leave to substitute himself for the insurer as plaintiff.

XIII. Prosecute any action which may exist in behalf of the creditors, members, policyholders or shareholders of the insurer against any officer of the insurer, or any other person.

XIV. Remove any records and property of the insurer to the offices of the commissioner or to such other place as is convenient for the purposes of efficient and orderly execution of the liquidation.

XV. Deposit in one or more banks in this state such sums as are required for meeting current administration expenses and dividend distributions.

XVI. File any necessary documents for record in the office of any register of deeds or record office in this state or elsewhere where property of the insurer is located.

XVII. Assert all legal and equitable defenses available to the insurer as against third persons. A waiver of any defense by the insurer after a petition for liquidation has been filed shall not bind the liquidator.

XVIII. Exercise and enforce all the rights, remedies and powers of any creditor, shareholder, policyholder or member, including any power to avoid any transfer or lien that may be given by law and that is not included within RSA 402-C:30-32.

XIX. Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

XX. Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states.

XXI. Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with this chapter.

XXII. The enumeration in this section of the powers and authority of the liquidator is not a limitation upon him, nor does it exclude his right to do such other acts not herein specifically enumerated or otherwise provided for as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:26

402-C:26 Notice to Creditors and Others. –

I. NOTICE REQUIRED.

(a) **GENERAL REQUIREMENTS.** The liquidator shall give notice of the liquidation order as soon as possible by first class mail and either by telegram or telephone to the insurance commissioner of each jurisdiction in which the insurer is licensed to do business, by first class mail within this state and by airmail outside this state to all insurance agents having a duty under RSA 402-C:27, and by first class mail within this state and by airmail outside this state at the last known address to all persons known or reasonably expected to have claims against the insurer, including all policyholders. He also shall publish notice in a newspaper of general statewide circulation or in Merrimack county, the last publication to be not less than 3 months before the earliest deadline specified in the notice under paragraph III.

(b) **SPECIAL REQUIREMENTS.** Notice to agents shall inform them of their duties under RSA 402-C:27 and inform them what information they must communicate to insureds. Notice to policyholders shall include notice of impairment and termination of coverage under RSA 402-C:22. When it is applicable, notice to policyholders shall include 1) notice of withdrawal of the insurer from the defense of any case in which the insured is interested and 2) notice of the right to file a claim under RSA 402-C:40.

(c) **REPORTS AND FURTHER NOTICE.** Within 15 days of the date of entry of the order, the liquidator shall report to the court what notice has been given. The court may order such additional notice as it deems appropriate.

II. NOTICE RESPECTING CLAIMS FILING. Notice to potential claimants under paragraph I shall require claimants to file with the liquidator their claims together with proper proofs thereof under RSA 402-C:38 on or before a date the liquidator specifies in the notice, which shall be no less than 6 months nor more than one year after entry of the order, except that the liquidator need not require persons claiming cash surrender values or other investment values in life insurance and annuities to file a claim. The liquidator may specify different dates for the filing of different kinds of claims.

III. NOTICE CONCLUSIVE. If notice is given in accordance with this section, the distribution of the assets of the insurer under this chapter shall be conclusive with respect to all claimants, whether or not they received notice.

Source. 1969, 272:1. 1975, 348:16, eff. Aug. 6, 1975.

Section 402-C:27

402-C:27 Duties of Agents. –

I. WRITTEN NOTICE. Every person who receives notice in the form prescribed in RSA 402-C:26 that an insurer which he represents as an independent agent is the subject of a liquidation order shall as soon as practicable give notice of the liquidation order. The notice shall be sent by first class mail to the last address contained in the agent's records to each policyholder or other person named in any policy issued through the agent by the company, if he has a record of the address of the policyholder or other person. A policy shall be deemed issued through an agent if the agent has a property interest in the expiration of the policy; or if the agent has had in his possession a copy of the declarations of the policy at any time during the life of the policy, except where the ownership of the expiration of the policy has been transferred to another. The written notice shall include the name and address of the insurer, the name and address of the agent, identification of the policy

impaired and the nature of the impairment under RSA 402-C:22. Notice by a general agent satisfies the notice requirement for any agents under contract to him.

II. SANCTIONS. Any agent failing to give notice as required in paragraph I may be fined not more than \$100 and may have his license suspended.

III. ORAL NOTICE. So far as practicable, every insurance agent subject to paragraph I shall give immediate oral notice by telephone or otherwise, of the liquidation order to the same persons to whom he is obligated to give written notice. The oral notice shall include substantially the same information as the written notice.

IV. UNEARNED PREMIUM CLAIMS. It shall be the duty of each agent, subject to the provisions of this section, to prepare and file on forms prescribed by the liquidator or the association the claims for unearned premiums on behalf of the policyholders of the insolvent insurer for policies issued through said agent. Agents who fail to file valid claims of policyholders as required by this section shall be personally liable to the respective policyholders to whom the unearned premiums are due and owing by the insolvent insurer, but in no event shall the agent be liable to any individual policyholder for an amount more than said policyholder's unearned premium including unearned commission less the \$50 deductible provision established under RSA 404-B:5, IV. Upon receipt of the unearned premium claims from the liquidator or the association, the agent shall promptly pay to each policyholder his just and proportionate share of said refund and in addition shall return to each policyholder the unearned commission due on each cancelled policy.

Source. 1969, 272:1. 1975, 348:11, eff. Aug. 6, 1975.

Section 402-C:28

402-C:28 Actions by and Against Liquidator. –

I. TERMINATION OF ACTIONS AGAINST INSURER BY ORDER APPOINTING LIQUIDATOR. Upon issuance of any order appointing the commissioner liquidator of a domestic insurer or of an alien insurer domiciled in this state, all actions and all proceedings against the insurer whether in this state or elsewhere shall be abated and the liquidator shall not intervene in them, except as provided in this section. Whenever in the liquidator's judgment an action in this state has proceeded to a point where fairness or convenience would be served by its continuation to judgment, he may apply to the court for leave to defend or to be substituted for the insurer, and if the court gives him leave, the action shall not be abated. Whenever in the liquidator's judgment, protection of the estate of the insurer necessitates intervention in an action against the insurer that is pending outside this state, with approval of the court he may intervene in the action. The liquidator may defend any action in which he intervenes under this section at the expense of the estate of the insurer.

II. STATUTE OF LIMITATIONS ON CLAIMS BY INSURER. The liquidator may, within 2 years subsequent to the entry of an order for liquidation or within such further time as applicable law permits, institute an action or proceeding on behalf of the estate of the insurer upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which such order is entered. Where, by any agreement, a period of limitation is fixed for instituting a suit or proceeding upon any claim or for filing any claim, proof of claim, proof of loss, demand, notice or the like, or where in any proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking any action, filing any claim or pleading or doing any act, and where in any such case the period had not expired at the date of the filing of the petition, the liquidator may, for the benefit of the estate, take any such action or do any such act, required of or permitted to the insurer, within a period of 60 days subsequent to the entry of an order for liquidation, or within such further period as is permitted by the agreement, or in the proceeding or by applicable law, or within such further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

III. STATUTES OF LIMITATIONS ON CLAIMS AGAINST INSURER. The time between the filing of a petition for liquidation against an insurer and the denial of the petition shall not be considered to be a part of the time within which any action may be commenced against the insurer. Any action against the insurer that might have been commenced when the petition was filed may be commenced for at least 60 days after the petition is denied.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:29

402-C:29 Collection and List of Assets. –

I. LIST OF ASSETS REQUIRED. As soon as practicable after the liquidation order, the liquidator shall prepare in duplicate a list of the insurer's assets. The list shall be amended or supplemented as the court requires. One copy shall be filed in the office of the clerk of the court having jurisdiction over the liquidation proceedings and one copy shall be retained for the liquidator's files. All amendments and supplements shall be similarly filed.

II. LIQUIDATION OF ASSETS. The liquidator shall reduce the assets to a degree of liquidity that is consistent with the effective execution of the liquidation as rapidly and economically as he can.

III. ACCESS TO ASSETS.

(a) Within 120 days of a final determination of insolvency of a company by a court of competent jurisdiction of this state, the receiver shall make application to the court for approval of a proposal to disburse assets out of such company's marshalled assets, from time to time as such assets become available, to the New Hampshire Insurance Guaranty Association, the New Hampshire Life and Health Guaranty Association and to any similar organization in another state. The New Hampshire Insurance Guaranty Association, the New Hampshire Life and Health Guaranty Association and any similar organizations in other states shall hereafter be referred to collectively as the associations.

(b) Such proposals shall at least include provision for:

(1) Reserving amounts for the payment of the expenses of administration and the claims falling within priorities established in RSA 402-C:44, I-V;

(2) Disbursement of the assets marshalled to date and subsequent disbursements of assets as they become available;

(3) Equitable allocation of disbursements to each of the associations entitled thereto; and

(4) The securing by the receiver from each of the associations entitled to disbursements pursuant to this section of an agreement to return to the receiver such assets previously disbursed as may be required to pay claims as secured creditors and claims falling within the priorities established in RSA 402-C:44, I-VI in accordance with such priorities. No bonds shall be required of any such association.

(c) The receiver's proposal shall provide for disbursements to the associations in amounts at least equal to the payments made or to be made thereby for which such association could assert claims against the receiver and shall further provide that if the assets available for disbursement from time to time do not equal or exceed the amounts of such payments made or to be made by the associations then disbursements shall be in the amount of available assets.

(d) The receiver's proposal shall, with respect to an insolvent insurer writing life, health insurance or annuities, provide for disbursements of assets to the New Hampshire Life and Health Guaranty Association or to any other entity or organization reinsuring, assuming or guaranteeing policies or contracts of insurance under the provisions of RSA 404-D.

(e) Notice of such application shall be given to the associations in and to the commissioners of insurance of each of the states. Any such notice shall be deemed to have been given when deposited in the United States certified mails, first class postage prepaid, at least 30 days prior to submission of such application to the court. Action on the application may be taken by the court provided the above required notice has been given and provided further that the receiver's proposal complies with subparagraphs (b)(1) and (b)(4).

Source. 1969, 272:1. 1977, 566:1. 1998, 99:2, 3, eff. July 19, 1998.

Section 402-C:30

402-C:30 Fraudulent Transfers Prior to Petition. –

I. DEFINITION AND EFFECT. Every transfer made or suffered and every obligation incurred by an insurer within one year prior to the filing of a successful petition for rehabilitation or liquidation under this chapter is fraudulent as to then existing and future creditors if made or incurred without fair consideration, or with actual intent to hinder, delay or defraud either existing or future creditors. A transfer made or an obligation incurred by an insurer ordered to be rehabilitated or liquidated under this chapter, which is fraudulent under this section, may be avoided by the receiver, except as to a person who in good faith is a purchaser, lienor or obligee for a present fair equivalent value; and except that any purchaser, lienor or obligee, who in good faith has given a consideration less than fair for such transfer, lien or obligation, may retain the property, lien or obligation as security for repayment. The court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and in that event the receiver shall succeed to and may enforce the rights of the purchaser, lienor or obligee.

II. PERFECTION OF TRANSFERS.

(a) PERSONAL PROPERTY. A transfer of property other than real property shall be deemed to be made or suffered when it becomes so far perfected that no subsequent lien obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee under RSA 402-C:32, III.

(b) REAL PROPERTY. A transfer of real property shall be deemed to be made or suffered when it becomes so far perfected that no subsequent bona fide purchaser from the insurer could obtain rights superior to the rights of the transferee.

(c) EQUITABLE LIENS. A transfer which creates an equitable lien shall not be deemed to be perfected if there are available means by which a legal lien could be created.

(d) TRANSFER NOT PERFECTED PRIOR TO PETITION. Any transfer not perfected prior to the filing of a petition for liquidation shall be deemed to be made immediately before the filing of the successful petition.

(e) ACTUAL CREDITORS UNNECESSARY. This paragraph applies whether or not there are or were creditors who might have obtained any liens or persons who might have become bona fide purchasers.

III. FRAUDULENT REINSURANCE TRANSACTIONS. Any transaction of the insurer with a reinsurer shall be deemed fraudulent and may be avoided by the receiver under paragraph I if:

(a) The transaction consists of the termination, adjustment or settlement of a reinsurance contract in which the reinsurer is released from any part of its duty to pay the originally specified share of losses that had occurred prior to the time of the transaction, unless the reinsurer gives a present fair equivalent value for the release; and

(b) Any part of the transaction took place within one year prior to the date of filing of the petition through which the receivership was commenced.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:31

402-C:31 Fraudulent Transfers After Petition. –

I. EFFECT OF PETITION: REAL PROPERTY. After a petition for rehabilitation or liquidation, a transfer of any of the real property of the insurer made to a person acting in good faith shall be valid against the receiver if made for a present fair equivalent value or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred. The recording of a copy of the petition for or order of rehabilitation or liquidation with the register of deeds in the county where any real property in question is located is constructive notice of the commencement of a proceeding in rehabilitation or liquidation. The exercise by a court of the United States or any state of jurisdiction to authorize or effect a judicial sale of real property of the insurer within any county in any state shall not be impaired by the pendency of such a proceeding unless the copy is recorded in the county prior to the consummation of the judicial sale.

II. EFFECT OF PETITION: PERSONAL PROPERTY. After a petition for rehabilitation or liquidation and before either the receiver takes possession of the property of the insurer or an order of rehabilitation or liquidation is granted:

(a) A transfer of any of the property of the insurer, other than real property, made to a person acting in good

faith shall be valid against the receiver if made for a present fair equivalent value or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred.

(b) A person indebted to the insurer or holding property of the insurer may, if acting in good faith, pay the indebtedness or deliver the property or any part thereof to the insurer or upon his order, with the same effect as if the petition were not pending.

(c) A person having actual knowledge of the pending rehabilitation or liquidation shall be deemed not to act in good faith unless he has reasonable cause to believe that the petition is not well founded.

(d) A person asserting the validity of a transfer under this section shall have the burden of proof. Except as elsewhere provided in this section, no transfer by or in behalf of the insurer after the date of the petition for liquidation by any person other than the liquidator shall be valid against the liquidator.

III. NEGOTIABILITY. Nothing in this chapter shall impair the negotiability of currency or negotiable instruments.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:32

402-C:32 Voidable Preferences and Liens. –

I. PREFERENCES.

(a) PREFERENCE DEFINED. A preference is a transfer of any of the property of an insurer to or for the benefit of a creditor, for or on account of an antecedent debt, made or suffered by the insurer within one year before the filing of a successful petition for liquidation under this chapter the effect of which transfer may be to enable the creditor to obtain a greater percentage of his debt than another creditor of the same class would receive. If a liquidation order is entered while the insurer is already subject to a rehabilitation order, transfers otherwise qualifying shall be deemed preferences if made or suffered within one year before the filing of the successful petition for rehabilitation or within 2 years before the filing of the successful petition for liquidation, whichever time is shorter.

(b) INVALIDATION OF PREFERENCES. Any preference may be avoided by the liquidator, if 1) the insurer was insolvent at the time of the transfer, or 2) the transfer was made within 4 months before the filing of the petition, or 3) the creditor receiving it or to be benefited thereby or his agent acting with reference thereto had reasonable cause to believe at the time when the transfer was made that the insurer was insolvent or was about to become insolvent, or 4) the creditor receiving it was an officer, employee, attorney or other person who was in fact in a position of comparable influence in the insurer to an officer whether or not he held such position, or any shareholder holding directly or indirectly more than 5 percent of any class of any equity security issued by the insurer, or any other person with whom the insurer did not deal at arm's length. Where the preference is voidable, the liquidator may recover the property or if it has been converted, its value from any person who has received or converted the property, except a bona fide purchaser from or lienor of the debtor's transferee for a present fair equivalent value. Where the bona fide purchaser or lienor has given less than fair equivalent value, he shall have a lien upon the property to the extent of the consideration actually given by him. Where a preference by way of lien or security title is voidable, the court may on due notice order the lien or title to be preserved for the benefit of the estate, in which event the lien or title shall pass to the liquidator.

II. PERFECTION OF TRANSFERS.

(a) PERSONAL PROPERTY. A transfer of property other than real property is deemed to be made or suffered when it becomes so far perfected that no subsequent lien obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee.

(b) REAL PROPERTY. A transfer of real property is deemed to be made or suffered when it becomes so far perfected that no subsequent bona fide purchaser from the insurer could obtain rights superior to the rights of the transferee.

(c) EQUITABLE LIENS. A transfer which creates an equitable lien is not deemed to be perfected if there are available means by which a legal lien could be created.

(d) TRANSFERS NOT PERFECTED PRIOR TO PETITION. A transfer not perfected prior to the filing of a petition for liquidation shall be deemed to be made immediately before the filing of the successful petition.

(e) ACTUAL CREDITORS UNNECESSARY. This paragraph applies whether or not there are or were creditors who might have obtained liens or persons who might have become bona fide purchasers.

III. LIENS BY LEGAL OR EQUITABLE PROCEEDINGS.

(a) DEFINITION. A lien obtainable by legal or equitable proceedings upon a simple contract is one arising in the ordinary course of such proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution or like process, whether before, upon or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

(b) WHEN LIENS ARE SUPERIOR. A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee, or a purchaser could obtain rights superior to the rights of a transferee within the meaning of paragraph II, if such consequences would follow only from the lien or purchase itself, or from the lien or purchase followed by any step wholly within the control of the respective lienholder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become superior and such a purchase could not create superior rights for the purpose of paragraph II through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.

IV. TWENTY-ONE DAY RULE. A transfer of property for or on account of a new and contemporaneous consideration which is deemed under paragraph II to be made or suffered after the transfer because of delay in perfecting it does not thereby become a transfer for or on account of an antecedent debt if any acts required by the applicable law to be performed in order to perfect the transfer as against liens or bona fide purchasers' rights are performed within 21 days or any period expressly allowed by the law, whichever is less. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.

V. INDEMNIFYING TRANSFERS ALSO VOIDABLE. If any lien deemed voidable under subparagraph (b) of paragraph I has been dissolved by the furnishing of a bond or other obligation, the surety on which has been indemnified directly or indirectly by the transfer of or the creation of a lien upon any property of an insurer before the filing of a petition under this chapter which results in a liquidation order, the indemnifying transfer or lien shall also be deemed voidable.

VI. AVOIDANCE OF LIEN. The property affected by any lien deemed voidable under subparagraph (b) of paragraph I and paragraph V is discharged from the lien, and that property and any of the indemnifying property transferred to or for the benefit of a surety shall pass to the liquidator, except that the court may on due notice order the lien to be preserved by the benefit of the estate and the court may direct that a conveyance be executed which is adequate to evidence the title of the liquidator.

VII. HEARINGS TO DETERMINE RIGHTS. The court shall have summary jurisdiction of any proceeding by the liquidator to hear and determine the rights of any parties under this section. Reasonable notice of any hearing in the proceeding shall be given to all parties in interest, including the obligee of a releasing bond or other like obligation. Where an order is entered for the recovery of indemnifying property in kind or for the avoidance of an indemnifying lien, the court, upon application of any party in interest, shall in the same proceeding ascertain the value of the property or lien, and if the value is less than the amount for which the property is indemnity or than the amount of the lien, the transferee or lienholder may elect to retain the property or lien upon payment of its value, as ascertained by the court, to the liquidator within such reasonable times as the court fixes.

VIII. SURETY'S LIABILITY DISCHARGED. The liability of a surety under a releasing bond or other like obligation shall be discharged to the extent of the value of the indemnifying property recovered or the indemnifying lien nullified and avoided or, where the property is retained under paragraph VII to the extent of the amount paid to the liquidator.

IX. SETOFF OF NEW ADVANCES. If a creditor has been preferred and afterward in good faith gives the insurer further credit without security of any kind, for property which becomes a part of the insurer's estate, the amount of the new credit remaining unpaid at the time of the petition may be set off against the preference

which would otherwise be recoverable from him.

X. RE-EXAMINATION OF ATTORNEY'S FEES. If an insurer, directly or indirectly, within 4 months before the filing of a successful petition for liquidation under this chapter or at any time in contemplation of a proceeding to liquidate it, pays money or transfers property to an attorney at law for services rendered or to be rendered, the transaction may be examined by the court on its own motion or shall be examined by the court on petition of the liquidator and shall be held valid only to the extent of a reasonable amount to be determined by the court, and the excess may be recovered by the liquidator for the benefit of the estate.

XI. PERSONAL LIABILITY.

(a) Every officer, manager, employee, shareholder, member, subscriber, attorney or any other person acting on behalf of the insurer who knowingly participates in giving any preference when he has reasonable cause to believe the insurer to be or about to become insolvent at the time of the preference shall be personally liable to the liquidator for the amount of the preference. It is permissible to infer that there is reasonable cause to so believe if the transfer was made within 4 months before the date of the filing of the successful petition for liquidation.

(b) Every person receiving any property from the insurer of the benefit thereof as a preference voidable under subparagraph (b) of paragraph I shall be personally liable therefor and shall be bound to account to the liquidator.

(c) Nothing in this paragraph shall prejudice any other claim by the liquidator against any person.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:33

402-C:33 Claims of Holders of Void or Voidable Rights. –

I. DISALLOWANCE FOR FAILURE TO SURRENDER PROPERTY. No claims of a creditor who has received or acquired a preference, lien, conveyance, transfer, assignment or encumbrance, voidable under this chapter, shall be allowed unless he surrenders the preference, lien, conveyance, transfer, assignment or encumbrance. If the avoidance is effected by a proceeding in which a final judgment has been entered, the claim shall not be allowed unless the money is paid or the property is delivered to the liquidator within 30 days from the date of the entering of the final judgment, except that the court having jurisdiction over the liquidation may allow further time if there is an appeal or other continuation of the proceeding.

II. TIME FOR FILING. A claim allowable under paragraph I by reason of the avoidance, whether voluntary or involuntary, of a preference lien, conveyance, transfer, assignment or encumbrance may be filed as an excused late filing under RSA 402-C:37 if filed within 30 days from the date of the avoidance or within the further time allowed by the court under paragraph I.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:34

402-C:34 Setoffs. –

I. SETOFFS ALLOWED IN GENERAL. Mutual debts or mutual credits between the insurer and another person in connection with any action or proceeding under this chapter shall be set off and the balance only shall be allowed or paid, except as provided in paragraph II.

II. EXCEPTIONS. No setoff shall be allowed in favor of any person where:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for liquidation entitle him to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) The obligation of the person is to pay an assessment levied against the members or subscribers of the

insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution; or

(d) [Repealed.]

Source. 1969, 272:1. 2003, 218:1, 2, 4, eff. Aug. 30, 2003.

Section 402-C:35

402-C:35 Assessments. –

I. REPORT TO COURT. As soon as practicable but not more than 2 years from the date of an order of liquidation under RSA 402-C:21 of an insurer issuing assessable policies, the liquidator shall make a report to the court setting forth:

- (a) The reasonable value of the assets of the insurer;
- (b) The insurer's probable total liabilities; and
- (c) The probable aggregate amount of the assessment necessary to pay all claims of creditors and expenses in full, including expenses of administration and costs of collecting the assessment.

II. LEVY OF ASSESSMENT.

(a) Upon the basis of the report provided in paragraph I, including any supplements and amendments thereto, the court may levy ex parte one or more assessments against all members of the insurer who are subject to assessment.

(b) Subject to any applicable legal limits on assessability, the aggregate assessment shall be for the amount that the sum of the probable liabilities, the expenses of administration and the estimated cost of collection of the assessment exceeds the value of existing assets, with due regard being given to assessments that cannot be collected economically.

III. ORDER TO SHOW CAUSE. After levy of assessment under paragraph II, the court shall issue an order directing each member who has not paid the assessment pursuant to the order to show cause why the liquidator shall not have a judgment therefor. If a member of the insurer also appears to be indebted to the insurer apart from the assessment, the court, upon application of the liquidator, may also direct the member to show cause why he should not pay the other indebtedness. Liability for such indebtedness shall be determined in the same manner and at the same time as the liability to pay the assessment.

IV. NOTICE. The liquidator shall give notice of the order to show cause by publication if so directed by the court and by first class mail to each member liable thereunder mailed at least 20 days before the return day of the order to show cause to his last known address as it appears on the records of the insurer.

V. ORDERS AND HEARINGS.

(a) If a member does not appear and serve duly verified objections upon the liquidator upon the return day of the order to show cause under paragraph III, the court shall make an order adjudging the member liable for the amount of the assessment against him and other indebtedness, pursuant to paragraph III, together with costs, and the liquidator shall have a judgment against the member therefor.

(b) If on such return day, the member appears and serves duly verified objections upon the liquidator, the court may hear and determine the matter or may appoint a referee to hear it and make such order as the facts warrant. Any order made by a referee under this paragraph shall have the same force and effect as if it were a judgment of the court, subject to review by the court upon application within 30 days.

VI. COLLECTION. The liquidator may enforce any order or collect any judgment under paragraph V by any lawful means.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:36

402-C:36 Liability of Insurer. – The amount recoverable by the liquidator from a reinsurer shall not be

reduced as a result of delinquency proceedings regardless of whether the reinsurance contract provides, in substance, that in the event of the insolvency of the ceding insurer, the reinsurance shall be payable by the assuming insurer on the basis of the claims allowed against the ceding insurer in the insolvency proceedings, under contract or contracts reinsured without diminution because of the insolvency of the ceding insurer. Such payments shall be made directly to the ceding insurer or to its domiciliary liquidator or receiver except:

I. Where the contract specifically provides another payee of such reinsurance in the event of the insolvency of the ceding insurer; or

II. Where the assuming insurer with the consent of the direct insured or insured has assumed such policy obligations of the ceding insurer as direct obligations of the assuming insurer to the payees under such policies and in substitution for the obligations of the ceding insurer to such payees.

Source. 1969, 272:1. 2003, 218:3. 2005, 248:4, eff. Sept. 12, 2005.

Section 402-C:37

402-C:37 Filing of Claims. –

I. **DEADLINE FOR FILING.** Proof of all claims must be filed with the liquidator in the form required by RSA 402-C:38 on or before the last day for filing specified in the notice required under RSA 402-C:26, except that proof of preferred ownership claims and proprietary claims under RSA 402-C:44 need not be filed at all, and proof of claims for cash surrender values or other investment values in life insurance and annuities need not be filed unless the liquidator expressly so requires.

II. **EXCUSED LATE FILINGS.** For a good cause shown, the liquidator shall recommend and the court shall permit a claimant making a late filing to share in dividends, whether past or future, as if he were not late, to the extent that any such payment will not prejudice the orderly administration of the liquidation. Good cause includes but is not limited to the following:

(a) That existence of a claim was not known to the claimant and that he filed within 30 days after he learned of it;

(b) That a claim for cash surrender values or other investment values in life insurance or annuities which was not required to be filed was omitted from the liquidator's recommendations to the court under RSA 402-C:45, and that it was filed within 30 days after the claimant learned of the omission;

(c) That a transfer to creditor was avoided under RSA 402-C:30-32 or was voluntarily surrendered under RSA 402-C:33, and that the filing satisfies the conditions of RSA 402-C:33;

(d) That valuation under RSA 402-C:43 of security held by a secured creditor shows a deficiency, which is filed within 30 days after the valuation; and

(e) That a claim was contingent and became absolute, and was filed within 30 days after it became absolute.

III. **UNEXCUSED LATE FILINGS.** The liquidator may consider any claim filed late which is not covered by paragraph II, and permit it to receive dividends, other than the first dividend, which are subsequently declared on any claims of the same or lower priority if the payment does not prejudice the orderly administration of the liquidation. The late-filing claimant shall receive, at each distribution, the same percentage of the amount allowed on his claim as is then being paid to other claimants of the same priority plus the same percentage of the amount allowed on his claim as is then being paid to claimants of any lower priority. This shall continue until his claim has been paid in full.

Source. 1969, 272:1. 1975, 348:12, 13, eff. Aug. 6, 1975.

Section 402-C:38

402-C:38 Proof of Claim. –

I. **CONTENTS OF PROOF OF CLAIM.**

- (a) Proof of claim shall consist of a verified statement that includes all of the following that are applicable:
1. The particulars of the claim, including the consideration given for it.
 2. The identity and amount of the security on the claim.
 3. The payments made on the debt, if any.
 4. That the sum claimed is justly owing and that there is no setoff, counterclaim or defense to the claim.
 5. Any right of priority of payment or other specific right asserted by the claimant.
 6. A copy of any written instrument which is the foundation of the claim.
 7. In the case of any third party claim based on a liability policy issued by the insurer, a conditional release of the insured pursuant to RSA 402-C:40, I.
 8. The name and address of the claimant and the attorney who represents him, if any.
- (b) No claim need be considered or allowed if it does not contain all the information under subparagraph (a) which may be applicable. The liquidator may require that a prescribed form be used and may require that other information and documents be included.
- II. SUPPLEMENTARY INFORMATION. At any time the liquidator may request the claimant to present information or evidence supplementary to that required under paragraph I, and may take testimony under oath, require production of affidavits or depositions or otherwise obtain additional information or evidence.
- III. CONCLUSIVENESS OF JUDGMENTS. No judgment or order against an insured or the insurer entered after the filing of a successful petition for liquidation and no judgment or order against an insured or the insurer entered at any time by default or by collusion need be considered as evidence of liability or of quantum of damages. No judgment or order against an insured or the insurer entered within 4 months before the filing of the petition need be considered as evidence of liability or of the quantum of damages.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:39

402-C:39 Special Claims. –

I. CLAIMS CONTINGENT ON JUDGMENTS. The claim of a third party which is contingent only on his first obtaining a judgment against the insured shall be considered and allowed as if there were no such contingency.

II. CLAIMS UNDER TERMINATED POLICIES. Any claim that would have become absolute if there had been no termination of coverage under RSA 402-C:22, and which was not covered by insurance acquired to replace the terminated coverage, shall be allowed as if the coverage had remained in effect, unless at least 10 days before the insured event occurred either the claimant had actual notice of the termination or notice was mailed to the claimant as prescribed by RSA 402-C:26 or RSA 402-C:27, I. If allowed the claim shall share in distributions under RSA 402-C:44, II.

III. OTHER CONTINGENT CLAIMS. A claim may be allowed even if contingent, if it is filed in accordance with RSA 402-C:37, II. It may be allowed and may participate in all dividends declared after it is filed, to the extent that it does not prejudice the orderly administration of the liquidation.

IV. IMMATURE CLAIMS. Claims that are due except for the passage of time shall be treated as absolute claims are treated, except that where justice requires the court may order them discounted at the legal rate of interest.

Source. 1969, 272:1. 1998, 99:4, eff. July 19, 1998.

Section 402-C:40

402-C:40 Special Provisions for Third Party Claims. –

I. THIRD PARTY'S CLAIM. Whenever any third party asserts a cause of action against an insured of an insurer in liquidation, the third party may file a claim with the liquidator. The filing of the claim shall release

the insured's liability to the third party on that cause of action in the amount of the applicable policy limit, but the liquidator shall also insert in any form used for the filing of third party claims appropriate language to constitute such a release. The release shall be void if the insurance coverage is avoided by the liquidator.

II. INSURED'S CLAIM. Whether or not the third party files a claim, the insured may file a claim on his own behalf in the liquidation. If the insured fails to file a claim by the date for filing claims specified in the order of liquidation or within 60 days after mailing of the notice required by subparagraph (b) of RSA 402-C:26, I, whichever is later, he is an unexcused late filer.

III. PROCEDURE FOR INSURED'S CLAIM. The liquidator shall make his recommendations to the court under RSA 402-C:45 for the allowance of an insured's claim under paragraph II after consideration of the probable outcome of any pending action against the insured on which the claim is based, the probable damages recoverable in the action and the probable costs and expenses of defense. After allowance by the court, the liquidator shall withhold any dividends payable on the claim, pending the outcome of litigation and negotiation with the insured. Whenever it seems appropriate, he shall reconsider the claim on the basis of additional information and amend his recommendations to the court. The insured shall be afforded the same notice and opportunity to be heard on all changes in the recommendation as in its initial determination. The court may amend its allowance as it thinks appropriate. As claims against the insured are settled or barred, the insured shall be paid from the amount withheld the same percentage dividend as was paid on other claims of like priority, based on the lesser of a) the amount actually recovered from the insured by action or paid by agreement plus the reasonable costs and expenses of defense, or b) the amount allowed on the claims by the court. After all claims are settled or barred any sum remaining from the amount withheld shall revert to the undistributed assets of the insurer. Delay in final payment under this section shall not be a reason for unreasonable delay of final distribution and discharge of the liquidator.

IV. MULTIPLE CLAIMS. If several claims founded upon one policy are filed, whether by third parties or as claims by the insured under this section, and the aggregate allowed amount of the claims to which the same limit of liability in the policy is applicable exceeds that limit, each claim as allowed shall be reduced in the same proportion so that the total equals the policy limit. Claims by the insured shall be evaluated as in paragraph III. If any insured's claim is subsequently reduced under paragraph III, the amount thus freed shall be apportioned ratably among the claims which have been reduced under this section.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:41

402-C:41 Disputed Claims. –

I. NOTICE OF REJECTION AND REQUEST FOR HEARING. When a claim is denied in whole or in part by the liquidator, written notice of the determination shall be given to the claimant and his attorney by first class mail at the address shown in the proof of claim. Within 60 days from the mailing of the notice, the claimant may file his objections with the court. If no such filing is made, the claimant may not further object to the determination.

II. NOTICE OF HEARING. Whenever objections are filed with the court, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or his attorney and to any other persons directly affected, not less than 10 nor more than 20 days before the date of the hearing. The matter may be heard by the court or by a court-appointed referee.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:42

402-C:42 Claims of Surety. – Whenever a creditor whose claim against an insurer is secured in whole or in part by the undertaking of another person fails to prove and file that claim, the other person may do so in the

creditor's name, and shall be subrogated to the rights of the creditor, whether the claim has been filed by the creditor or by the other person in the creditor's name, to the extent that he discharges the undertaking. In the absence of an agreement with the creditor to the contrary, the other person shall not be entitled to any dividend until the amount paid to the creditor on the undertaking plus the dividends paid on the claim from the insurer's estate to creditor equals the amount of the entire claim of the creditor. Any excess received by the creditor shall be held by him in trust for such other person.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:43

402-C:43 Secured Creditors' Claims. –

I. The value of any security held by a secured creditor shall be determined in one of the following ways, as the court directs:

(a) By converting the same into money according to the terms of the agreement pursuant to which the security was delivered to such creditor;

(b) By agreement, arbitration, compromise or litigation between the creditor and the liquidator.

II. The determination shall be under the supervision and control of the court. The amount so determined shall be credited upon the secured claim, and any deficiency shall be treated as an unsecured claim. If the claimant surrenders his security to the liquidator, the entire claim shall be allowed as if unsecured.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:44

402-C:44 Order of Distribution. – The order of distribution of claims from the insurer's estate shall be as stated in this section. The first \$50 of the amount allowed on each claim in the classes under paragraphs II, V, and VI except claims of the guaranty associations as defined in RSA 404-B, 404-H, 404-D, and 408-B shall be deducted from the claim. Claims may not be cumulated by assignment to avoid application of the \$50 deductible provision. Subject to the \$50 deductible provision, every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class.

I. **ADMINISTRATION COSTS.** The costs and expenses of administration, including but not limited to the following: the actual and necessary costs of preserving or recovering the assets of the insurer; compensation for all services rendered in the liquidation; any necessary filing fees; the fees and mileage payable to witnesses; and reasonable attorney's fees.

II. **POLICY RELATED CLAIMS.** All claims by policyholders, including claims for unearned premiums in excess of \$50, beneficiaries, and insureds arising from and within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company, and liability claims against insureds which claims are within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company and claims of the New Hampshire Insurance Guaranty Association, the New Hampshire Life and Health Insurance Guaranty Association and any similar organization in another state. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds or investment values, shall be treated as loss claims. That portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to an employee shall be treated as a gratuity.

III. **CLAIMS OF THE FEDERAL GOVERNMENT.**

IV. **WAGES.**

(a) Debts due to employees for services performed, not to exceed \$1,000 to each employee which have been earned within one year before the filing of the petition for liquidation. Officers shall not be entitled to the benefit of this priority.

(b) Such priority shall be in lieu of any other similar priority authorized by law as to wages or compensation of employees.

V. RESIDUAL CLASSIFICATION. All other claims including claims of any state or local government, not falling within other classes under this section. Claims, including those of any non-federal governmental body, for a penalty or forfeiture, shall be allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction or proceeding out of which the penalty or forfeiture arose with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under paragraph VIII.

VI. JUDGMENTS. Claims based solely on judgments. If a claimant files a claim and bases it both on the judgment and on the underlying facts, the claim shall be considered by the liquidator who shall give the judgment such weight as he deems appropriate. The claim as allowed shall receive the priority it would receive in the absence of the judgment. If the judgment is larger than the allowance on the underlying claim, the remaining portion of the judgment shall be treated as if it were a claim based solely on a judgment.

VII. INTEREST ON CLAIMS ALREADY PAID. Interest at the legal rate compounded annually on all claims in the classes under paragraphs I through VI from the date of the petition for liquidation or the date on which the claim becomes due, whichever is later, until the date on which the dividend is declared. The liquidator, with the approval of the court, may make reasonable classifications of claims for purposes of computing interest, may make approximate computations and may ignore certain classifications and time periods as de minimis.

VIII. MISCELLANEOUS SUBORDINATED CLAIMS. The remaining claims or portions of claims not already paid, with interest, as in paragraph VII:

- (a) Claims under RSA 402-C:39, II;
- (b) Claims subordinated by RSA 402-C:61;
- (c) Claims filed late;
- (d) Portions of claims subordinated under paragraph V;
- (e) Claims or portions of claims payment of which is provided by other benefits or advantages recovered or recoverable by the claimant.

IX. PREFERRED OWNERSHIP CLAIMS. Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Interest at the legal rate shall be added to each claim, as in paragraphs VII and VIII.

X. PROPRIETARY CLAIMS. The claims of shareholders or other owners.

Source. 1969, 272:1. 1975, 348:14. 1977, 499:1. 1998, 99:1. 2005, 248:5, eff. Sept. 12, 2005.

Section 402-C:45

402-C:45 Liquidator's Recommendations to the Court. –

I. RECOMMENDED CLAIMS. The liquidator shall review all claims duly filed in the liquidation and shall make such further investigation as he deems necessary. He may compound, compromise or in any other manner negotiate the amount for which claims will be recommended to the court. Unresolved disputes shall be determined under RSA 402-C:41. As often as practicable, he shall present to the court reports of claims against the insurer with his recommendations. The reports shall include the name and address of each claimant, the particulars of the claim and the amount of the claim finally recommended, if any. As soon as reasonably possible after the last day for filing claims, he shall present a list of all claims not already reported. If the insurer has issued annuities or life insurance policies, the liquidator shall report the persons to whom, according to the records of the insurer, amounts are owed as cash surrender values or other investment values and the amounts owed. If the insurer has issued policies on the advance premium plan, the liquidator shall report the persons to whom, according to the records of the insurer, unearned premiums are owed and the amounts owed.

II. ALLOWANCE OF CLAIMS. The court may approve, disapprove or modify any report on claims by the liquidator, except that the liquidator's agreements with other parties shall be final and binding on the court on claims settled for \$500 or less. No claim under a policy of insurance shall be allowed for an amount in excess of the applicable policy limits.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:46

402-C:46 Distribution of Assets. –

I. PAYMENTS TO CREDITORS. Under the direction of the court, the liquidator shall pay dividends in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third party claims. Distribution of assets in kind may be made at valuations set by agreement between the liquidator and the creditor and approved by the court.

II. EXCESS ASSETS.

(a) Upon liquidation of a domestic mutual insurance company, any assets held in excess of its liabilities and the amounts which may be paid to its members as provided under subparagraph (b) shall be paid into the state treasury for the credit of the insurance department.

(b) The maximum amount payable upon liquidation to any member for and on account of his membership in a domestic mutual insurance company, in addition to the insurance benefits promised in the policy, shall be the total of all premium payments made by the member with interest at the legal rate compounded annually.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:47

402-C:47 Unclaimed and Withheld Funds. –

I. UNCLAIMED FUNDS. All unclaimed funds subject to distribution remaining in the liquidator's hands when he is ready to apply to the court for discharge, including the amount distributable to any creditor, shareholder, member or other person who is unknown or cannot be found or who is under disability with no person legally competent to receive his distributive share, shall be deposited with the state treasurer, and shall be paid over without interest except in accordance with RSA 402-C:44 to the person entitled thereto or his legal representative upon proof satisfactory to the state treasurer of his right thereto. Any amount on deposit not claimed within 6 years from the discharge of the liquidator is deemed abandoned and shall become the property of the state.

II. WITHHELD FUNDS. All funds withheld under RSA 402-C:40 and not distributed shall upon discharge of the liquidator be deposited with the state treasurer and paid by him in accordance with RSA 402-C:40. Any sums remaining which under RSA 402-C:40 would revert to the undistributed assets of the insurer shall be transferred to the state treasurer and become the property of the state under paragraph I, unless the commissioner petitions the court to reopen the liquidation under RSA 402-C:49.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:48

402-C:48 Termination of Proceedings. –

I. LIQUIDATOR'S APPLICATION. When all assets justifying the expense of collection and distribution have been collected and distributed under this chapter, the liquidator shall apply to the court for discharge. The court may grant the discharge and make any other orders deemed appropriate, including an order to transfer to

the state treasury for the credit of the insurance department any remaining funds that are uneconomic to distribute.

II. APPLICATION BY OTHERS. Any other person may apply to the court at any time for an order under paragraph I. If the application is denied, the applicant shall pay the costs and expenses of the liquidator in resisting the application, including a reasonable attorney's fee.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:49

402-C:49 Reopening Liquidation. – After the liquidation proceeding has been terminated and the liquidator discharged, the commissioner or other interested party may at any time petition the court to reopen the proceedings for good cause, including the discovery of additional assets. If the court is satisfied that there is justification for reopening, it shall so order.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:50

402-C:50 Disposition of Records During and After Termination of Liquidation. – Whenever it appears to the commissioner that the records of any insurer in process of liquidation or completely liquidated are no longer useful, he or she may recommend to the court what records should be retained for future reference and what should be disposed of. The court shall enter an order thereon. Until further order of the court, the commissioner shall keep all records the court orders preserved and shall destroy the remainder whether or not the records have been photographed or otherwise reproduced.

Source. 1969, 272:1. 2003, 144:3, eff. Jan. 1, 2004.

Section 402-C:51

402-C:51 External Audit of Receiver's Books. – The court in which the proceeding is pending may, as it deems desirable, cause audits to be made of the books of the commissioner relating to any receivership established under this chapter, and a report of each audit shall be filed with the commissioner and with the court. The books, records and other documents of the receivership shall be made available to the auditor at any time without notice. The expense of each audit shall be considered a cost of administration of the receivership.

Source. 1969, 272:1, eff. June 23, 1969.

Interstate Relations

Section 402-C:52

402-C:52 Conservation of Property of Foreign or Alien Insurers Found in This State. –

I. GROUNDS FOR PETITION. If a domiciliary liquidator has not been appointed, the commissioner may apply to the superior court for Merrimack county by verified petition for an order directing him to conserve the property of an alien insurer not domiciled in this state or a foreign insurer on any one or more of the following grounds:

- (a) Any of the grounds in RSA 402-C:15;
- (b) Any of the grounds in RSA 402-C:20;

(c) That any of its property has been sequestered by official action in its domiciliary state, or in any other state;

(d) That enough of its property has been sequestered in a foreign country to give reasonable cause to fear that the insurer is or may become insolvent;

(e) That 1) its certificate of authority to do business in this state has been revoked or that none was ever issued, and 2) there are residents of this state with outstanding claims or outstanding policies.

II. TERMS OF ORDER. The court may issue the order in whatever terms it deems appropriate. The filing or recording of the order with any register of deeds in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that register of deeds.

III. TRANSFORMATION TO LIQUIDATION OR ANCILLARY RECEIVERSHIP. The conservator may at any time petition for and the court may grant an order under RSA 402-C:53 to liquidate the assets of a foreign or alien insurer under conservation or, if appropriate, for an order under RSA 402-C:55 to be appointed ancillary receiver.

IV. ORDER TO RETURN TO COMPANY. The conservator may at any time petition the court for an order, terminating conservation of an insurer. If the court finds that the conservation is no longer necessary, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make such finding and issue such order at any time upon its own motion.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:53

402-C:53 Liquidation of Property of Foreign or Alien Insurers Found in This State. –

I. GROUNDS FOR PETITION. If no domiciliary receiver has been appointed, the commissioner may apply to the superior court for Merrimack county by verified petition for an order directing him to liquidate the assets found in this state of a foreign insurer or an alien insurer not domiciled in this state, on any of the following grounds:

- (a) Any of the grounds in RSA 402-C:15;
- (b) Any of the grounds in RSA 402-C:20;
- (c) Any of the grounds in RSA 402-C:52.

II. TERMS OF ORDER. If it appears to the court that the best interests of creditors, policyholders and the public so require, the court may issue an order to liquidate in whatever terms it deems appropriate. The filing or recording of the order with any register of deeds in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that register of deeds.

III. CONVERSION TO ANCILLARY PROCEEDING. If a domiciliary liquidator is appointed in a reciprocal state while a liquidation is proceeding under this section, the liquidator under this section shall thereafter act as ancillary receiver under RSA 402-C:55. If a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is proceeding under this section, the liquidator under this section may petition the court for permission to act as ancillary receiver under RSA 402-C:55.

IV. FEDERAL RECEIVERSHIP. On the same grounds as are specified in paragraph I, the commissioner may petition any appropriate federal district court to be appointed receiver to liquidate that portion of the insurer's assets and business over which the court will exercise jurisdiction, or any lesser part thereof that the commissioner deems desirable for the protection of the policyholders and creditors in this state. The commissioner may accept appointment as federal receiver if another person files a petition.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:54

402-C:54 Foreign Domiciliary Receivers in Other States. –

I. PROPERTY RIGHTS AND TITLE: RECIPROCAL STATE. The domiciliary liquidator of an insurer domiciled in a reciprocal state shall be vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books, accounts and other records of the insurer located in this state. The date of vesting shall be the date of the filing of the petition, if that date is specified by the domiciliary law for the vesting of property in the domiciliary state; otherwise, the date of vesting shall be the date of entry of the order directing possession to be taken. The domiciliary liquidator shall have the immediate right to recover balances due from agents and to obtain possession of the books, accounts and other records of the insurer located in this state. He also shall have the right to recover the other assets of the insurer located in this state, subject to RSA 402-C:55, II.

II. PROPERTY RIGHTS AND TITLE: STATE NOT A RECIPROCAL STATE. If a domiciliary liquidator is appointed for an insurer not domiciled in a reciprocal state, the commissioner of this state shall be vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books, accounts and other records of the insurer located in this state, at the same time that the domiciliary liquidator is vested with title in the domicile. The commissioner of this state may petition for a conservation or liquidation order under RSA 402-C:52 or 53, or for an ancillary receivership under RSA 402-C:55, or after approval by the superior court for Merrimack county may transfer title to the domiciliary liquidator, as the interests of justice and the equitable distribution of the assets require.

III. FILING CLAIMS. Claimants residing in this state may file claims with the liquidator or ancillary receiver, if any, in this state or with the domiciliary liquidator, if the domiciliary law permits. The claims must be filed on or before the last date fixed for the filing of claims in the domiciliary liquidation proceedings.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:55

402-C:55 Ancillary Formal Proceedings. –

I. APPOINTMENT OF ANCILLARY RECEIVER IN THIS STATE. If a domiciliary liquidator has been appointed for an insurer not domiciled in this state, the commissioner shall file a petition with the superior court for Merrimack county requesting appointment as ancillary receiver in this state:

(a) If he finds that there are sufficient assets of the insurer located in this state to justify the appointment of an ancillary receiver;

(b) If 10 or more persons resident in this state having claims against the insurer file a petition with the commissioner requesting appointment of an ancillary receiver; or

(c) If the protection of creditors or policyholders in this state so requires.

II. TERMS OF ORDER. The court may issue an order appointing an ancillary receiver in whatever terms it deems appropriate. The filing or recording of the order with any register of deeds in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that register of deeds.

III. PROPERTY RIGHTS AND TITLE: ANCILLARY RECEIVERS IN THIS STATE. When a domiciliary liquidator has been appointed in a reciprocal state, the ancillary receiver appointed in this state under paragraph I shall have the sole right to recover all the assets of the insurer in this state not already recovered by the domiciliary liquidator, except that the domiciliary liquidator shall be entitled to and have the sole right to recover balances due from agents and the books, accounts and other records of the insurer. The ancillary receiver shall have the right to recover balances due from agents and books, accounts and other records of the insurer, if such action is necessary to protect the assets because of inaction by the domiciliary liquidator. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceedings. He shall promptly transfer all remaining assets to the domiciliary liquidator. Subject to this section, the ancillary receiver and his deputies shall have the same powers and be subject to the same duties with respect to the administration of assets as a liquidator of an insurer domiciled in this state.

IV. PROPERTY RIGHTS AND TITLE: FOREIGN ANCILLARY RECEIVERS. When a domiciliary

liquidator has been appointed in this state, ancillary receivers appointed in reciprocal states shall have, as to assets and books, accounts and other records located in their respective states, corresponding rights and powers to those prescribed in paragraph III for ancillary receivers appointed in this state.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:56

402-C:56 Ancillary Summary Proceedings. – The commissioner in his sole discretion may institute proceedings under RSA 402-C:11-13 at the request of the commissioner or other appropriate official of the domiciliary state of any foreign or alien insurer having property located in this state.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:57

402-C:57 Claims of Nonresidents Against Insurers Domiciled in This State. –

I. FILING CLAIMS. In a liquidation proceeding begun in this state against an insurer domiciled in this state, claimants residing in foreign countries or in states not reciprocal states must file claims in this state, and claimants residing in reciprocal states may file claims either with the ancillary receiver, if any, in their respective states, or with the domiciliary liquidator. Claims must be filed on or before the last dates fixed for the filing of claims in the domiciliary liquidation proceeding.

II. PROVING CLAIMS. Claims belonging to claimants residing in reciprocal states may be proved either in the liquidation proceeding in this state as provided in this chapter, or in ancillary proceedings, if any, in the reciprocal states. If notice of the claim and opportunity to appear and be heard is afforded the domiciliary liquidator of this state as provided in RSA 402-C:58 with respect to ancillary proceedings in this state, the final allowance of claims by the courts in ancillary proceedings in reciprocal states shall be conclusive as to amount and as to priority against special deposits or other security located in the ancillary states, but shall not be conclusive with respect to priorities against general assets under RSA 402-C:44.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:58

402-C:58 Claims of Residents Against Insurers Domiciled in Reciprocal States. –

I. FILING CLAIMS. In a liquidation proceeding in a reciprocal state against an insurer domiciled in that state, claimants against the insurer who reside within this state may file claims either with the ancillary receiver, if any, in this state, or with the domiciliary liquidator. Claims must be filed on or before the last dates fixed for the filing of claims in the domiciliary liquidation proceeding.

II. PROVING CLAIMS. Claims belonging to claimants residing in this state may be proved either in the domiciliary state under the law of that state or in ancillary proceedings, if any, in this state. If a claimant elects to prove his claim in this state, he shall file his claim with the court in the manner provided in RSA 402-C:37 and 38. The ancillary receiver shall make his recommendation to the court as under RSA 402-C:45. He also shall arrange a date for hearing if necessary under RSA 402-C:41 and shall give notice to the liquidator in the domiciliary state, either by registered mail or by personal service at least 40 days prior to the date set for hearing. If the domiciliary liquidator, within 30 days after the giving of such notice, gives notice in writing to the ancillary receiver and to the claimant, either by registered mail or by personal service, of his intention to contest the claim, he shall be entitled to appear or to be represented in any proceeding in this state involving the adjudication of the claim. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to amount and as to priority against special deposits or other security located in this state.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:59

402-C:59 Attachment, Garnishment and Levy of Execution. – During the pendency in this or any other state of a liquidation proceeding, whether called by that name or not, no action or proceeding in the nature of an attachment, garnishment or levy of execution shall be commenced or maintained in this state or elsewhere against the delinquent insurer or its assets.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:60

402-C:60 Interstate Priorities. –

I. PRIORITIES. In a liquidation proceeding in this state involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to all claims of residents of this and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where such assets are located.

II. PRIORITY OF SPECIAL DEPOSIT CLAIMS. The owners of special deposit claims against an insurer for which a liquidator is appointed in this or any other state shall be given priority against the special deposits in accordance with the statutes governing the creation and maintenance of the deposits. If there is a deficiency in any deposit so that the claims secured by it are not fully discharged from it, the claimants may share in the general assets, but the sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

III. PRIORITY OF SECURED CLAIMS. The owner of a secured claim against an insurer for which a liquidator has been appointed in this or any other state may surrender his security and file his claim as a general creditor, or the claim may be discharged by resort to the security in accordance with RSA 402-C:43, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors.

Source. 1969, 272:1, eff. June 23, 1969.

Section 402-C:61

402-C:61 Subordination of Claims for Noncooperation. – If an ancillary receiver in another state or foreign country, whether called by that name or not, fails to transfer to the domiciliary liquidator in this state any assets within his control other than special deposits, diminished only by the expenses of the ancillary receivership, if any, the claims filed in the ancillary receivership, other than special deposit claims or secured claims, shall be placed in the class of claims under RSA 402-C:44, VIII.

Source. 1969, 272:1. 1998, 99:5, eff. July 19, 1998.

LOST POLICY CERTIFICATE AND RELEASE

RECEIVED

APR 4 - 1973

DATED 4-3-73	ATTACHED TO AND FORMING PART OF	POLICY NO. GA 4 23 39 80	NAME OF INSURANCE COMPANY The Home Insurance Company
Northern Commercial Company			ISSUED TO (INSURED'S NAME & MAILING ADDRESS)
AGENCY AT Anchorage, Alaska			SIGNED AGENT

Property Covered.....

Property Located.....

COMMENCEMENT OF POLICY	EXPIRATION OF POLICY	EFFECTIVE DATE OF CANCELLATION	HOW CANC.	AMOUNT OF INSURANCE	RATE	RETURN PREMIUM
4/10/72	3/1/75	3/1/73	PR <input type="checkbox"/> SR <input type="checkbox"/> FLAT <input checked="" type="checkbox"/>			

In consideration of return premium to be paid as provided in the above policy, the undersigned hereby surrenders all rights under said policy, declares the same to be null and void from the effective date of cancellation set forth above, and releases said Insurer from any and all liability thereunder.

The undersigned hereby certifies that the policy is lost and cannot, after diligent search, be found; and agrees that in the event it is found, the undersigned will forthwith return it to the Insurer. The undersigned further certifies that he has not assigned or transferred said policy or any rights thereunder to any party not named in this certificate.

Dated.....

WITNESS

SIGNATURE OF INSURED

All claim under the above policy is hereby waived.

SIGNATURE OF PAYEE (IF ANY)

347
April 1964

GENERAL-AUTOMOBILE LIABILITY POLICY

STOCK COMPANY

GA — 4 23 39 80

The HOME Insurance Company
New York, N.Y.

DECLARATIONS

Item 1. ☐ Northern Commercial Company
 Named Insured and Address (See Named Insured Endorsement)
 Coleman Building
 Seattle, Washington

Northern Commercial Co.
 AGED BY

PRODUCER

☐ Preferred General Agency of Alaska,
 508 6th Avenue
 Anchorage, Alaska 99501

Item 2. Policy Period:

From 4/10/72 to 3/1/75
 12:01 A.M., standard time at the address of the named insured as stated herein.

88200

Producer No.

963

OPC

The named insured is: ☐ Individual ☐ Partnership ☒ Corporation ☐ Joint Venture ☐ Other

Audit Periods: ☒ Annual ☐ Semi-Annual ☐ Quarterly ☐ Monthly ☐ None

Business of named insured is Retail Stores and Machinery Sales

Item 3. The insurance afforded is only with respect to the Coverage Part(s) indicated below by specific premium charge(s) and attached to and forming a part of this policy.

Coverage Parts	Form Number	Advance Premiums
Comprehensive General Liability Insurance	H21013(F)	\$ 20,029.00
Premises Medical Payments Insurance		\$
Contractual Liability Insurance	L9231a	\$ Included
Personal Injury Liability Insurance	H21015(F)	\$ Included
Comprehensive Automobile Liability Insurance	H21040(F)	\$ 31,178.00
Automobile Medical Payments Insurance		\$
Garage Insurance	H21037(F)	\$ 3,410.00
Protection Against Uninsured Motorists Insurance	H21038(F)	\$ Included
Automobile Physical Damage Insurance	A6118a	\$ 2,832.00
Other Amendment of Supplementary Payments-- Alaskan Suits	GU8882	Included
*If, Policy Period is more than one year premium is payable	Effective Date†† 1st Anniversary†† 2nd Anniversary††	TOTAL ADVANCE PREMIUM \$ 57,449.00

The first and second anniversary premiums do not include the premiums for automobile coverages if applicable.

Item 4. During the past three years no insurer has cancelled insurance, issued to the named insured, similar to that afforded hereunder unless otherwise stated herein:

Endorsements attached to policy
 See Attachment #A

*Not applicable in Texas

Countersigned by

Authorized Representative

If the Policy Period is more than one year; †The premiums shown for Fixed Exposure hazards are the full three year premiums. Any premiums shown for Subject-To-Audit hazards are the annual deposit premiums. ††Any annual deposit premiums for Subject-To-Audit hazards are payable as of the effective date and each anniversary date, whether or not the remainder of premium is payable on installments.

H21158 F

CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003255

THE HOME INSURANCE COMPANY

NEW YORK, N. Y.

(A stock insurance company, herein called the company)

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows:

DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"**automobile**" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"**bodily injury**" means bodily injury, sickness or disease sustained by any person;

"**collapse hazard**" includes "structural property damage" as defined herein and property damage to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The collapse hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard or the underground property damage hazard, or (3) for which liability is assumed by the insured under an incidental contract;

"**completed operations hazard**" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the named insured under the contract have been completed,
- (2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

- (a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or
- (c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"**damages**" includes damages for death and for care and loss of services resulting from bodily injury and damages for loss of use of property resulting from property damage;

"**elevator**" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"**explosion hazard**" includes property damage arising out of blasting or explosion. The explosion hazard does not include property damage (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery

or power transmitting equipment, or (2) arising out of operations performed for the named insured by independent contractors, or (3) included within the completed operations hazard or the underground property damage hazard, or (4) for which liability is assumed by the insured under an incidental contract;

"**incidental contract**" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) side-track agreement, or (5) elevator maintenance agreement;

"**insured**" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"**mobile equipment**" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"**named insured**" means the person or organization named in Item 1. of the declarations of this policy;

"**named insured's products**" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"**occurrence**" means an accident, including injurious exposure to conditions, which results, during the policy period, in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"**policy territory**" means:

- (1) the United States of America, its territories or possessions, or Canada, or
- (2) international waters or air space, provided the bodily injury or property damage does not occur in the course of travel or transportation to or from any other country, state or nation, or
- (3) anywhere in the world with respect to damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

"**products hazard**" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"**property damage**" means injury to or destruction of tangible property;

"**underground property damage hazard**" includes underground property damage as defined herein and property damage to any other property at any time resulting therefrom. "Underground property damage" means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving. The underground property damage hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard, or (3) for which liability is assumed by the insured under an incidental contract.

SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

- (a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required

of the insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

- (c) expenses incurred by the insured for first aid to others at the time of an accident, for bodily injury to which this policy applies;
- (d) reasonable expenses incurred by the insured at the company's request, including actual loss of wages or salary (but not loss of other income) not to exceed \$25 per day because of his attendance at hearings or trials at such request.

CONDITIONS

1. **Premium:** All premiums for this policy shall be computed in accordance with the company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

The named insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit:** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe.

The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws:** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit:**

(a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable. The named insured shall promptly take at his expense all reasonable steps to prevent other bodily injury or property damage from arising out of the same or similar conditions, but such expense shall not be recoverable under this policy.

(b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.

(c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of bodily injury or property damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company:** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Other Insurance:** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

7. **Subrogation:** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

8. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment:** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

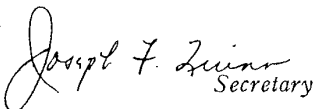
10. **Three Year Policy:** If this policy is issued for a period of three years, the limits of the company's liability shall apply separately to each consecutive annual period thereof.

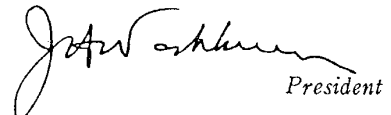
11. **Cancellation:** This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing.

If the named insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

12. **Declarations:** By acceptance of this policy, the named insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this insurance.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the declarations page by a duly authorized representative of the company.


Secretary


President

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)

This endorsement modifies the provisions of this policy relating to **ALL AUTOMOBILE LIABILITY, GENERAL LIABILITY AND MEDICAL PAYMENTS INSURANCE OTHER THAN FAMILY AUTOMOBILE, SPECIAL PACKAGE AUTOMOBILE, COMPREHENSIVE PERSONAL AND FARMER'S COMPREHENSIVE PERSONAL INSURANCE.**

It is agreed that:

I. This policy does not apply:

A. Under any Liability Coverage, to **bodily injury or property damage**

- (1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) resulting from the **hazardous properties** of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a nuclear facility by any person or organization.

C. Under any Liability Coverage, to **bodily injury or property damage** resulting from the **hazardous properties of nuclear material**, if

- (1) the **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) the **bodily injury or property damage** arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such nuclear facility and any property thereat.

II. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or by-product material;

"source material", **"special nuclear material"**, and **"byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

- (a) any **nuclear reactor**,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**,
- (c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

HOME INSURANCE COMPANY (COMPANY)

ENEWS BINDER # _____

INSURANCE AGAINST LOSS ~~DAMAGE~~ AS INDICATED BELOW

IS HEREBY KEPT COVERED

FAVOR OF:

NORTHERN COMMERCIAL CO., AND ITS DIVISIONS AND SUBSIDIARIES
COLMAN BUILDING
SEATTLE, WASHINGTON

RECEIVED
21 1977
Northern Commercial Co.

FOR NOT EXCEEDING: \$250,000 SINGLE LIMIT

ON BODILY INJURY LIABILITY-OTHER THAN AUTOMOBILE--
INCLUDING PREMISES-OPERATIONS, EMPLOYEES AS
ADDITIONAL INSURED, O&CP, BLANKET CONTRACTUAL,
& PRODUCTS-COMPLETED OPERATIONS

\$250/250,000

ON PERSONAL INJURY--A, B & C--EMPLOYEE EXCLUSION
DELETED AND STOP-GAP

\$250/250,000

ON EMPLOYEE BENEFIT LIABILITY WITH \$1,000.
DEDUCTIBLE

\$250,000 SINGLE LIMIT

ON BODILY INJURY &/OR PROPERTY DAMAGE-AUTOMOBILE--
INCLUDING GARAGE DIVISION I, GARAGE DIVISION
II, OWNED & NON-OWNED AUTOS.

*

ON GARAGEKEEPERS' LEGAL LIABILITY--INCLUDING
FIRE, THEFT, RIOT, CIVIL COMMOTION & VANDALISM

\$15/30,000

ON UNINSURED MOTORISTS COVERAGE

*

ON OWNED AUTOMOBILE PHYSICAL DAMAGE

IS

*PER SCHEDULES TO BE ATTACHED TO POLICY

ENDORSEMENT

This endorsement, effective 6/1/72, forms a part of policy No. GA4 23 39 80
(12:01 A. M., standard time)

is to Northern Commercial Company

by THE HOME INSURANCE COMPANY

In consideration of a return premium of \$168.00, it is
understood and agreed that Items 3, 4 and 6 under
endorsement #8 attached are deleted from coverage.

All other terms and conditions of this policy remain unchanged.

UNIFORM PRINTING
MICHIGAN-CHICAGO
INDIANAPOLIS-SAN FRANCISCO
AND SUPPLY DIVISION
IN WILLOW GROVE, ILL.

End. #10
Exp. 3/1/75
1/19/73cm
P/R .748

9M 073

[Signature]
MAIER & SARGENT DIVISION
ALEXANDER & ALEXANDER, INC.
Authorized Representatives

JAN 51 1975

ENDORSEMENT

This endorsement, effective **4-10-72**, forms a part of policy No. **GA4 23 39 80**
(12:01 A. M., standard time)

to Northern Commercial Company

by The Home Insurance Company

In consideration of the premium charged, it is agreed that paragraph (3) of the definition "policy territory" is deleted and the following is substituted therefore:

"(3) anywhere in the world with respect to damage because of bodily injury or property damage arising out of a product provided the original suit for such damage is brought within the territory described in paragraph (1) above."

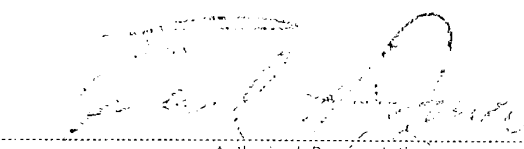
All other terms and conditions of this policy remain unchanged.

Exp. 3-1-75

End. #9

10-20-72 c1

UNIFORM PRINTING
PRINTED IN U.S.A.
CHICAGO-BROOKLYN
AND SUPPLY DIVISION


Authorized Representative

ENDORSEMENT

This endorsement, effective 6-1-72 (12:01 A. M., standard time), forms a part of policy No. GA4 23 39 80

is added to Northern Commercial Company

by The Home Insurance Company

In consideration of an additional premium of \$673.00, it is agreed that exclusion D - General Liability relating to Watercraft does not apply. Any watercraft covered by this endorsement shall have a separate premium charge to be determined at such time as the company is notified of the existence or use of such watercraft.

<u>Watercraft</u>	<u>Annual BI Premium</u>
1) G B "APROKA" 28' - 95 hp	150.00
2) MV "KOTLIK" 28' - 85 hp	150.00
3) "COTTON NO. 1" 19' - Unpowered	75.00
4) "KWIGUK" 60' - Unpowered	75.00
5) Barge "B. D. #1" 60' Unpowered	75.00
6) Plywood Barge (Unnamed) 129' - Unpowered	75.00
7) "BARGE #101" 60' - Powered	150.00
8) "EMMONAK" (LMC) 103' - Powered	150.00

All other terms and conditions of this policy remain unchanged.

EXPRESS
UNIVERSITY
APPLY DIVISION

Exp. 3-1-75
9-6-72 mg
End. #8

.....
Authorized Representative

ENDORSEMENT

This endorsement, effective **4-10-72** (12:01 A.M., standard time), forms a part of policy No. **GA 4 23 39 80**

Northern Commercial Company

by The Home Insurance Company

In consideration of the premium charged, it is understood and agreed that coverage as provided under attachment #2 - Single limit coverage does not apply to General Liability Property Damage.

It is further understood and agreed that Paragraph B - Form G-1538-2 - Employee Benefits Liability is amended to cover "Profit Sharing Plan".

Attachment #14 - Exclusion of Liquefied Petroleum Gas is declared Null and Void.

All other terms and conditions of this policy remain unchanged.

UNIFORM PRINTING
PRINTED IN U.S.A.
ORDERED THROUGH
AND SUPPLY DIVISION

End. #2 Exp: 3-1-75
7-12-72 ad

.....
Authorized Representative

ENDORSEMENT

This endorsement, effective

4-10-72

(12.01 A. M. standard time)

, forms a part of policy No. GA 4 23 39 80

is made to Northern Commercial Company

by The Home Insurance Company

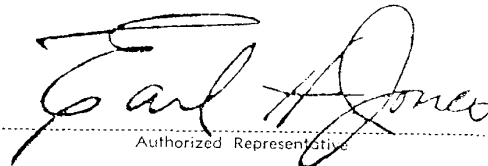
AMENDED

NAMED INSURED ENDORSEMENT

1. Northern Commercial Company
2. Alaska Commercial Company
3. N C Machinery Co.
4. N C Machinery Co., Ltd.
5. N C Marine
6. Alaska Rivers Navigation Company
7. Northern Commercial Company, Ltd.

And any corporation, partnership, joint venture, or other entity as may now or hereafter exist which is a subsidiary of any named insured or is solely comprised of named insureds; and any affiliated companies for which the named insured directly or through one of its subsidiaries has managerial control and any joint venture for which any named insured acts as sponsoring joint venturer.

All other terms and conditions of this policy remain unchanged.

UNIFORM PRINTING
DIVISION
CHICAGO-ROOFTOP
AND SUPPLY DIVISIONEnd. #1 Exp: 3-1-75
7-12-72 ad
Authorized Representative

ENDORSEMENT

This endorsement, effective **6-1-72**, forms a part of policy No **GA 4 23 39 80**
 (12.01 A. M., standard time)

issued to **Northern Commercial Company**

by **The Home Insurance Company**

In consideration of the additional premium of 673.00, it is agreed that the exclusion D - General Liability relating to watercraft does not apply to any described watercraft owned or used by the insured.

<u>Watercraft</u>	<u>Annual BI Premium</u>
1) G B "APROKA" 28' - 95 hp	150.00
2) MV "KOTLIK" 28' - 85 hp	150.00
3) "COTTON NO. 1" 59' - Unpowered	75.00
4) "KWIGUK" 60' - Unpowered	75.00
5) Barge "B. D. #1" 60' - Unpowered	75.00
6) Plywood Barge (Unnamed) 129' - Unpowered	75.00
7) "BARGE #101" 60' - Powered	150.00
8) "EMMONAK" (LMC) 103' - Powered	150.00

All other terms and conditions of this policy remain unchanged.

IN PRINTING
DIVISION

End. #4 Exp: 3-1-75 P/R: .748
7-12-72 ad

Earl H. Jones
 Authorized Representative

COVERAGE PART

LIQUOR LIABILITY INSURANCE

L 6175
(Ed. 5-67)

Northern Commercial Company

AMENDED

For attachment to Policy No. GA4 23 39 80, to complete said policy

Eff. 4-10-72

SCHEDULE

Insurance afforded is only with respect to the following Coverage as indicated by specific premium charge. The limit of the company's liability against such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability		Coverage
CSL 250	thousand dollars each claim	X—Liquor Liability
-----	thousand dollars each common cause	
-----	thousand dollars aggregate	

Advance Premium	Rate	Premium Basis	Code No.	Description of Hazards	Designated Insured Premises
Liquor Liability					
Included			0974	All stores	Various
		Receipts			
Form numbers of endorsements attached at issue					
\$Included	Total Advance Premium				

When used as a premium basis:

"receipts" means gross amount of money charged by the named insured or by others during the policy period for the sale of all alcoholic beverages, and of other beverages used in connection therewith, including taxes, except taxes which the named insured collects as a separate item, and remits directly to a governmental division, for which accurate records are maintained apart from other receipts.

End. #5

I. COVERAGE X—LIQUOR LIABILITY Exp. 3-1-75 9-6-72 mg

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of injury to which this insurance applies, sustained by any person if such liability is imposed upon the insured by reason of the selling, serving or giving of any alcoholic beverage at or from the insured premises, and the company shall have the right and duty to defend any suit against the insured seeking such damages, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (b) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured;
- (c) to injury arising out of any alcoholic beverage sold, served or given while any

license therefor, required by law, is suspended or after such license expires, is cancelled or revoked;

- (d) to bodily injury or property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto; but this exclusion does not apply to bodily injury or property damage for which the insured or his indemnitee may be held liable if such liability is imposed by reason of the selling, serving or giving of any alcoholic beverage

- (1) in violation of any statute, ordinance or regulation,
- (2) to a minor,
- (3) to a person under the influence of alcohol, or
- (4) which causes or contributes to the intoxication of any person.

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the named insured is designated in the declarations as an individual, the person so designated;

(over)

- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the **named insured** is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to injury arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

III. LIMITS OF LIABILITY

Regardless of the number of insureds under this insurance, the company's liability is limited as follows:

The limit of liability stated in the schedule as applicable to "each claim" is the limit of the company's liability for all damages because of each claim or suit covered hereby; but, subject to the above provision respecting "each claim", the total liability of the company for all damages sustained by two or more persons as the result of the selling, serving or giving of any alcoholic beverage to any one person shall not exceed the limit of liability stated in the schedule as applicable to "each common cause".

The limit of liability stated in the schedule as "aggregate" is, subject to the above provisions respecting "each claim" and "each common cause", the total limit of the company's liability hereunder for all damages. Such aggregate limit of liability shall apply separately to each insured premises.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to injury which occurs during the policy period within the policy territory.

V. AMENDED DEFINITION

When used in reference to this insurance "damages" means all damages, including damages for death, care, loss of services, loss of support, or loss of use

of property, which are payable because of injury to which this insurance applies.

VI. ADDITIONAL DEFINITION

When used in reference to this insurance (including endorsements forming a part of this policy):

"insured premises" means:

- (a) the premises designated in the schedule; and,
- (b) any premises which the **named insured** acquires during the policy period for use in manufacturing, distributing, selling, serving or giving alcoholic beverages if (1) the **named insured** notifies the company within 30 days after such acquisition and (2) the **named insured** has no other valid and collectible insurance applicable to the loss.

VII. AMENDED CONDITION

When used in reference to this insurance the Three Year Policy Condition is amended to read as follows:

Three Year Policy: If this policy is issued for a period of three years:

- (a) The policy period is comprised of three consecutive annual periods;
- (b) The rates are subject to amendment for the second and third annual periods, in accordance with the company's rules and rating plans. Amended rates shall be stated by endorsement issued to form a part of this policy;
- (c) The aggregate limit of liability shall apply separately to each annual period.

VIII. ADDITIONAL CONDITIONS

A. Insured's Duties in the Event of Injury, Claim or Suit

When an injury occurs written notice shall be given by or on behalf of the **insured** in accordance with the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition.

B. Limitation of Coverage—Other Liability Insurance

The insurance afforded by this Part does not apply to any injury with respect to which insurance is otherwise afforded by, or would be afforded but for the exhaustion of the limits of, the policy.



ENDORSEMENT

This endorsement, effective 4-10-72 (12:01 A. M., standard time), forms a part of policy No. GA4 23 39 80

is added to Northern Commercial Company

by The Home Insurance Company

It is hereby understood and agreed that the serial numbers of the following described vehicles are amended to read as shown:

Item 4	1969 Ford Galaxie 500	#9W54Y171508
Item 2	1968 Ford Fairlane Ranchero	#8K48F139274
Item 11	1966 Ford F100 Pickup	#F108R845240
Item 14	1970 Ford F100 Pickup	#F10GG76316
Item 15	1972 Ford LTD Brougham	#2P66S101556
Item 16	1970 Ford Galaxie 500	#OG54Y175234
Item 21	1970 Ford LN 6000 Flatbed Truck	#R61UVH84783
Item 28	1971 Ford Galaxie 500	#1P54S136098
Item 33	1971 Ford Ranchero 500	#1A47H165931

All other terms and conditions of this policy remain unchanged.

UNIFORM PRINTING
PRINTED IN U.S.A.
CHICAGO-BROOKLYN
AND SUPPLY DIVISION

Exp. 3-1-75
9-6-72 mg
End. #6

.....
Authorized Representative

ENDORSEMENT

This endorsement, effective 6-1-72
(12:01 A. M., standard time), forms a part of policy No. GA4 23 39 80

issued to Northern Commercial Company

by The Home Insurance Company

In consideration of a return premium of \$673.00, it is understood and
agreed that endorsement #4 is declared Null and Void.

All other terms and conditions of this policy remain unchanged.

UNIFORM PRINTING
STANDARDIZATION
AND SUPPLY DIVISION

Exp. 3-1-75
9-6-72 mg
End. #7

.....
Authorized Representative

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. CA4 23 39 80
(12:01 A. M., standard time)

is 1 to Northern Commercial Company

by The Home Insurance Company

It is hereby understood and agreed that the following attachments form a part of Policy No. GA4 23 39 80 effective at inception date: GU6784 (8); Single Limit Endorsement; PGA-404; PGA-408; G1538-2; L9106; L6481; H21225F (5); AL8863; GU6631; AL8831; AL6080 (2)

All other terms and conditions of this policy remain unchanged.

Attachment #A

UNIFORM PRINTING
SECURITY-CHICAGO
- LOWELL-SAN FRANCISCO
AND SUPPLY DIVISION
PRINTED IN U.S.A.

Earl Jones
Authorized Representative

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12 01 A. M. standard time)

is to Northern Commercial Company

by The Home Insurance Company

NAMED INSURED ENDORSEMENT

It is agreed that the Named Insured is to read as follows:

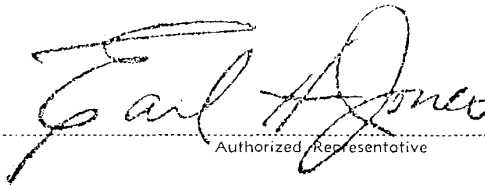
Northern Commercial Company
Alaska Commercial Company
N C Machinery Co.
N C Machinery Co., Ltd.
N C Marine
N C Machinery Co. Ltd. dba Whitehorse Motors
Alaska Rivers Navigation Company
Northern Commercial Company, Ltd.

And any corporation, partnership, joint venture, or other entity as may now or hereafter exist which is a subsidiary of any named insured or is solely comprised of named insureds; and any affiliated companies for which the named insured directly or through one of its subsidiaries has managerial control and any joint venture for which any named insured acts as sponsoring joint venturer.

All other terms and conditions of this policy remain unchanged.

Attachment #1

UNIFORM PRINTING
ENTERPRISES
CHICAGO-ROCKFORD
AND SUPPLY DIVISION


Authorized Representative

This endorsement, effective 4/10/72 , forms a part of policy No. GA4 23 39 80
issued to Northern Commercial Company
by The Home Insurance Company

SINGLE LIMIT ENDORSEMENT

(Automobile and General Liability)

1. The limit of the Company's liability for damages under all bodily injury liability and property damage liability coverages, shall be a single limit of liability as stated herein.

\$ 250,000.00 each occurrence

\$ 250,000.00 aggregate

2. All provisions in the policy captioned "Limits of Liability" containing reference to the Company's liability on account of bodily injury liability or property damage liability are deleted.
3. The following provision is added to the policy:

LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the Company's liability is limited as follows:

The total liability of the Company for all damages under all bodily injury liability and property damage liability coverages of this policy because of bodily injury or property damage sustained by one or more persons or organizations as a result of any one occurrence shall not exceed the limit of liability shown above for "each occurrence."

Subject to the above provision respecting "each occurrence," the total liability of the Company for all damages arising out of the products hazard and completed operations hazard shall not exceed the limits of liability stated above as "aggregate."

Subject to the above provision respecting "each occurrence," the total liability of the Company for all damages because of all property damage to which the policy applies and described in any of the subparagraphs below shall not exceed the "aggregate" limit stated above.

- (a) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any contract relating to such premises or operations, but excluding property damage included in subparagraph (b) below;

- (b) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any contract relating to such operations, but this subparagraph (b) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (c) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (a), (b), & (c) above, and under subparagraphs (a) and (b), separately with respect to each project away from the premises owned by or rented to the named insured.

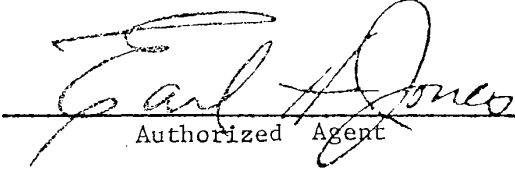
For the purpose of determining the limit of the Company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

With respect to any occurrence for which this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, for the above stated limits of liability as respects each occurrence shall be applied to provide the separate limits of liability required by such law for bodily injury liability and property damage liability to the extent of the coverage required by such law but the separate application of such limits shall not increase the total limit of the Company's liability.

The limits of liability stated herein as applicable to "each occurrence" shall apply to Coverage C and Coverage D in the same manner as though such insurance was provided by a separate policy.

The limits of liability stated herein shall apply to such insurance as is afforded by the policy for contractual liability in the same manner as though contractual liability insurance was provided by a separate policy.

This policy is hereby amended as herein specifically stated but not otherwise.


Authorized Agent

COVERAGE PART

COMPREHENSIVE GENERAL LIABILITY INSURANCE



For attachment to Policy No. GA4 23 39 80, to complete said policy.

ADDITIONAL DECLARATIONS

Location of all premises owned by, rented to or controlled by the named insured (ENTER "SAME" IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1 OF DECLARATIONS.)

Business premises of named insured in such premises (CHECK BELOW)

☐ Owner ☐ General Lessee ☐ Tenant ☐ Other _____

Part occupied by named insured (ENTER BELOW)

Various

The following discloses all hazards insured hereunder known to exist at the effective date of this policy, unless otherwise stated herein.

SCHEDULE

The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability			Coverages			
Each person	Each occurrence	Aggregate				
\$ CSL 250,000	\$ -----,000	\$ -----,000	A Bodily Injury See Single Limit Endorsement			
X X X X	\$ -----,000	\$ -----,000	B Property Damage			
Description of Hazards	Code No.	Premium Bases	Rates		Advance Premiums	
			B. I.	P. D.	Bodily Injury	Property Damage
1. Premises—Operations		(a) Remuneration (b) Area (Sq. Ft.) (c) Receipts	(a) Per \$100 of Remuneration (b) Per 100 Sq. Ft. of Area (c) Per \$100 of Receipts			
Included in Composite Rate					20,029.00	
2. Elevators	No. at Premises	No. Insured	Per Elevator			If Any
3. Independent Contractors		Cost	Per \$100 of Cost			Included
Included in Composite Rate						
4. Completed Operations		(a) Receipts	(a) Per \$1000 of Receipts			Included
Included in Composite Rate						
5. Products		(b) Sales	(b) Per \$1000 of Sales			Included
Included in Composite Rate						
Form numbers of endorsements at issue			TOTALS		20,029.00	\$
Attachment #4			Total Advance Premiums		\$20,029.00	\$

When used as a premium basis:

- "admissions" means the total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes;
- "cost" means the total cost to the named insured with respect to operations performed for the named insured during the policy period by independent contractors of all work let or sub-let in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or subcontractor, including all fees, allowances, bonuses or commissions made, paid or due;
- "receipts" means the gross amount of money charged by the named insured for such operations by the named insured or by others during the policy period as are rated on a receipts basis other than receipts from telecasting, broadcasting or motion pictures, and includes taxes, other than taxes which the named insured collects as a separate item and remits directly to a governmental division;
- "remuneration" means the entire remuneration earned during the policy period by proprietors and by all employees of the named insured, other than chauffeurs (except operators of mobile equipment) and aircraft pilots and co-pilots, subject to any overtime earnings or limitation of remuneration rule applicable in accordance with the manuals in use by the company;
- "sales" means the gross amount of money charged by the named insured or by others trading under his name for all goods and products sold or distributed during the policy period and charged during the policy period for installation, servicing or repair, and includes taxes, other than taxes which the named insured and such others collect as a separate item and remit directly to a governmental division.

I. COVERAGE A—BODILY INJURY LIABILITY
COVERAGE B—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

A. bodily injury or
B. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- (b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (1) any automobile or aircraft owned or operated by or rented or loaned to the named insured; or
 - (2) any other automobile or aircraft operated by any person in the course of his employment by the named insured;but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to the named insured;
- (c) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to the named insured;
- (d) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the bodily injury or property damage occurs away from premises owned by, rented to or controlled by the named insured; but this exclusion does not apply to bodily injury or property damage included within the products hazard or the completed operations hazard or resulting from operations performed for the named insured by independent contractors or to liability assumed by the insured under an incidental contract;
- (e) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to:
 - (1) liability assumed by the insured under an incidental contract, or
 - (2) expenses for first aid under the Supplementary Payments provision;
- (f) to bodily injury or property damage for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage:
 - (1) in violation of any statute, ordinance or regulation,
 - (2) to a minor,
 - (3) to a person under the influence of alcohol, or
 - (4) which causes or contributes to the intoxication of any person;
- (g) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (h) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- (i) to property damage to:
 - (1) property owned or occupied by or rented to the insured,
 - (2) property used by the insured, or
 - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured;
- (j) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- (k) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any insured; but this exclusion does not apply to bodily injury or property damage resulting from the active malfunctioning of such products or work;
- (l) to property damage to the named insured's products arising out of such products or any part of such products;
- (m) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (n) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (o) to property damage included within:
 - (1) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "x",

- (2) the collapse hazard in connection with operations identified in this policy by a classification code number which includes the symbol "c",
- (3) the underground property damage hazard in connection with operations identified in this policy by a classification code number which includes the symbol "u".

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set below:

- (a) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;
- (b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (d) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and
- (e) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law:
 - (i) an employee of the named insured while operating any such equipment in the course of his employment, and
 - (ii) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;provided that no person or organization shall be an insured under this paragraph (e) with respect to:
 - (1) bodily injury to any fellow employee of such person injured in the course of his employment, or
 - (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (ii).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

Coverage A—The limit of bodily injury liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all damages because of bodily injury sustained by one person as the result of any one occurrence; but subject to the above provision respecting "each person", the liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the liability stated in the schedule as applicable to "each occurrence".

Subject to the above provisions respecting "each person" and "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

Coverage B—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate":

- (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
- (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to bodily injury or property damage which occurs during the policy period within the policy territory.

This endorsement, effective 4/10/72

forms a part of Policy No. GA4 23 39 80

issued to Northern Commercial Company

by The Home Insurance Company

COMPOSITE RATING ENDORSEMENT - RECEIPTS

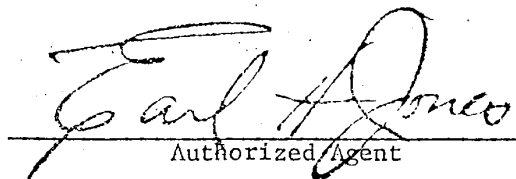
It is agreed that such insurance as is afforded by this policy applies subject to the following provisions:

1. The premium basis and rates for the Coverages described in the Schedule below are stated therein.
2. The premium stated in the Schedule is a Provisional Deposit Premium only. Upon termination of this insurance the earned premium shall be computed in accordance with the terms hereof.
3. When used as a premium basis, the words "gross receipts" shall mean the total amount which the Named Insured receives for all sales, services and rentals.
 - (a) Gross receipts shall include:
 1. The total amount received from the rental of equipment, with or without drivers, to any person or organization.
 2. The total sales of all merchandise, including parts.
 3. The total receipts for services performed.
 - (b) Gross receipts shall not include:
 1. Direct taxes which the Named Insured collects as a separate item and remits directly to a governmental division.
 2. C.O.D. collections for cost of merchandise, including collection fees.
 3. Warehouse storage charges.
 4. Advertising revenue.
4. The Named Insured shall maintain records of the information necessary for premium computation on the basis stated.
5. SCHEDULE:

COVERAGES	PREMIUM BASIS	RATES	
	Estimated Total Annual Gross Receipts	Per \$1,000. of Gross Receipts	Provisional Deposit Premium
A	\$51,620,000.00	.388	\$20,029.00
C,D,G & H	\$51,620,000.00	.604	\$31,178.00

PGA 404

Attachment #5


Authorized Agent

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy)

COMPREHENSIVE GENERAL LIABILITY SURANCE—MANUFACTURERS' AND CONTRACTORS' LIABILITY RANCE—
OWNERS, LANDLORDS' AND TENANTS' LIABILITY INSURANCE

LIABILITY

L 9231a
(Ed. 4-71)

CONTRACTUAL LIABILITY INSURANCE
(Blanket Coverage—Broad Form)

This endorsement, effective (12:01 A.M., standard time) , forms a part of policy No.

issued to

by

Authorized Representative

SCHEDULE

The insurance afforded for contractual liability is only with respect to such of the following Coverages as are indicated by a specific premium charge applicable thereto. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability				Coverages		
each person	each occurrence	aggregate				
\$ 250,000.00	-----	-----		Contractual Bodily Injury Liability See Single Limit End.		
-----	\$ -----	\$ -----		Contractual Property Damage Liability		
Advance Premiums		Rates		Premium Bases	Code No.	Designation of Contracts on File or Known to the Company
Bodily Injury	Property Damage	B.I.	P.D.			
Included		(a) Per \$100 of Cost (b) Per \$1,000 of Sales		(a) Cost (b) Sales		Included in Composite Rate
\$ Included		Total Advance B.I. and P.D. Premiums				
\$ Included		Total Advance Premium				

The following exclusions do not apply with respect to any "construction agreement":

The company, in consideration of the payment of the premium and subject to all of the provisions of the policy not expressly modified herein, agrees with the named insured as follows:

I. COVERAGES—CONTRACTUAL BODILY INJURY LIABILITY
CONTRACTUAL PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured, by reason of contractual liability assumed by him under any written contract of the type designated in the schedule for this insurance, shall become legally obligated to pay as damages because of

bodily injury or
property damage

which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend

- (1) any arbitration proceeding wherein the company is not entitled to exercise the insured's rights in the choice of arbitrators and in the conduct of such proceedings, or
- (2) any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the insured under any incidental contract;
- (b) (1) if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of professional services performed by such insured, including
 - (i) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and
 - (ii) supervisory, inspection or engineering services;

(over)

Attachment #6

- (2) if the indemnitee of the insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agent or employees, arising out of
- (i) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or
 - (ii) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury or property damage**;
- (c) to **bodily injury or property damage** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;
- (d) to **bodily injury or property damage** for which the indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage (1) in violation of any statute, ordinance or regulation, (2) to a minor, (3) to a person under the influence of alcohol, or (4) which causes or contributes to the intoxication of any person;
- (e) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (f) to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for **bodily injury or property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
- (g) to **property damage** to
- (1) property owned or occupied by or rented to the insured.
 - (2) property used by the insured, or
 - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;
- (h) to **property damage** to premises alienated by the **named insured** arising out of such premises or any part thereof;
- (i) to **bodily injury or property damage** resulting from the failure of the **named insured's** products or work completed by or for the **named insured** to perform the function or serve the purpose intended by the **named insured**, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any insured; but this exclusion does not apply to **bodily injury or property damage** resulting from the active malfunctioning of such products or work;
- (j) to **property damage** to the **named insured's** products arising out of such products or any part of such products;
- (k) to **property damage** to work performed by or on behalf of the **named insured** arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) to **damages** claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **named insured's** products or work completed by or for the **named insured** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

Unless stated in the schedule as not applicable, the following exclusions also apply to **contractual liability** assumed by the insured under any agreement relating to construction operations.

This insurance does not apply:

- (m) to **bodily injury or property damage** arising out of construction, maintenance or repair of watercraft or loading or unloading thereof;
- (n) to **bodily injury or property damage** arising out of operations, within fifty feet of any railroad property, affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
- (o) to **bodily injury or property damage** included within the **completed operations hazard** or the **products hazard**;
- (p) to **property damage** included within
 - (1) the explosion hazard,
 - (2) the collapse hazard, or
 - (3) the underground **property damage hazard**.

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) if the **named insured** is designated in the declarations as an individual, the person so designated;
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated

and any partner or member thereof but only with respect to his liability as such;

- (c) if the **named insured** is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to **bodily injury or property damage** arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a **named insured**.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain **bodily injury or property damage**, or (3) claims made or suits brought on account of **bodily injury or property damage**, the company's liability is limited as follows:

Contractual Bodily Injury Liability—The limit of **bodily injury liability** stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one occurrence; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one occurrence shall not exceed the limit of **bodily injury liability** stated in the schedule as applicable to "each occurrence".

Contractual Property Damage Liability—The total liability of the company for all **damages** because of all **property damage** sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of **property damage liability** stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all **damages** because of all **property damage** to which this coverage applies shall not exceed the limit of **property damage liability** stated in the schedule as "aggregate". Such aggregate limit of liability applies separately with respect to each project away from premises owned by or rented to the **named insured**.

Contractual Bodily Injury and Property Damage Liability—For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

IV. ENDORSEMENT PERIOD; TERRITORY

This insurance applies only to **bodily injury or property damage** which occurs during the endorsement period within the policy territory.

V. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**contractual liability**" means liability expressly assumed under a written contract or agreement; provided, however, that **contractual liability** shall not be construed as including liability under a warranty of the fitness or quality of the **named insured's** products or a warranty that work performed by or on behalf of the **named insured** will be done in a workmanlike manner; "suit" includes an arbitration proceeding to which the insured is required to submit or to which the insured has submitted with the company's consent.

VI. ADDITIONAL CONDITION

Arbitration

The company shall be entitled to exercise all of the insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

Premium

The advance premium stated in the schedule is the estimated premium on account of such written contracts as are on file with or known to the company. The **named insured** shall notify the company of all other written contracts entered into during the endorsement period to which this insurance applies.

When used as a premium basis:

1. the word "cost" means the total cost of all work in connection with all contracts of the type designated in the schedule for this insurance with respect to which "cost" is the basis of premium, regardless of whether any liability is assumed under such contracts by the insured. It includes the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the insured, or others including all fees, allowances, bonuses or commissions made, paid or due. It shall not include the cost of any operations to which exclusions (m) or (n) apply, unless such exclusions are voided in the schedule.
2. the word "sales" means the gross amount of money charged by the **named insured** or by others trading under his name for all goods and products sold or distributed during the endorsement period and charged during the endorsement period for installation, servicing or repair, and includes taxes, other than taxes which the **named insured** and such others collect as a separate item and remit directly to a governmental division.

AUTHENTIC

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12:01 A. M. standard time)

to Northern Commercial Company
by The Home Insurance Company

EXCLUSION OF LIQUEFIED PETROLEUM GAS

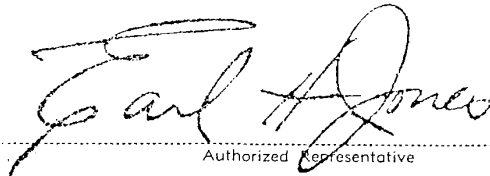
It is agreed that such insurance as is afforded by the policy shall exclude the handling, use, sale, distribution or service of liquefied petroleum gases in any form, including the transfer of liquefied gas from a bulk container or tank into a cylinder.

It is further agreed that coverage for the products hazard does not apply with respect to liquefied petroleum gas for heat or power, appliances operated by liquefied petroleum gas, or the installation, servicing or repair of appliances or equipment so operated.

All other terms and conditions of this policy remain unchanged.

Attachment #14

UNIFORM PRINTING
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CHICAGO-PHOTOGRAPH
AND SUPPLY DIVISION


Authorized Representative

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12:01 A.M., standard time)

to Northern Commercial Company

by The Home Insurance Company

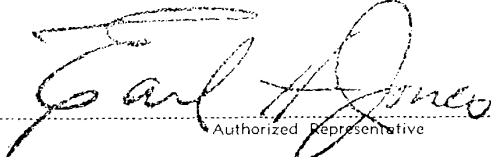
CONTRACTUAL ADDITIONAL INSUREDS

It is agreed that any person or organization for whom the
Named Insured has agreed in writing to provide insurance
like this insurance, but only with respect to the Named
Insured's operations or facilities is an additional Insured.

All other terms and conditions of this policy remain unchanged.

Attachment #7

UNIFORM PRINTING
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CHICAGO-SPOKANE
AND SUPPLY DIVISION


Authorized Representative

PERSONAL INJURY LIABILITY INSURANCE



For attachment to Policy No. GA4 23 39 80, to complete said policy.

SCHEDULE

Limits of Liability	Coverage
\$ 250 ,000 each person aggregate	See Single Limit Endorsement P—Personal Injury Liability
\$ ----- ,000 general aggregate	
% Insured's Participation	

The insurance afforded is only with respect to **personal injury** arising out of an offense included within such of the following groups of offenses as are indicated by specific premium charge or charges.

Groups of Offenses	Advance Premiums
A. False Arrest, Detention or Imprisonment, or Malicious Prosecution	\$ Included
B. Libel, Slander, Defamation or Violation of Right of Privacy	\$ Included
C. Wrongful Entry or Eviction or Other Invasion of Right of Private Occupancy	\$ Included
Form numbers of endorsements attached at issue	\$
Total Advance Premium	\$ Included
Minimum Premium	\$

Attachment #8

I. COVERAGE P—PERSONAL INJURY LIABILITY

The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as **damages** because of injury (herein called "**personal injury**") sustained by any person or organization and arising out of one or more of the following offenses committed in the conduct of the **named insured's** business.

Group A—false arrest, detention or imprisonment, or malicious prosecution;

Group B—the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the **named insured**;

Group C—wrongful entry or eviction, or other invasion of the right of private occupancy;

if such offense is committed during the policy period within the United States of America, its territories or possessions, or Canada, and the company shall have the right and duty to defend any suit against the **insured** seeking **damages** on account of such **personal injury** even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the **insured** under any contract or agreement;
- (b) to **personal injury** arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of any **insured**;
- (c) to **personal injury** sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the **named insured**;
- (d) to **personal injury** arising out of any publication or utterance described in Group B, if the first injurious publication or utterance of the same or similar material by or on behalf of the **named insured** was made prior to the effective date of this insurance;
- (e) to **personal injury** arising out of a publication or utterance described in Group B concerning any organization or business enterprise, or its products or services, made by or at the direction of any **insured** with knowledge of the falsity thereof.

II. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) if the **named insured** is designated in the declarations as an individual, the person so designated;
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the **named insured** is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to **personal injury** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

III. LIMITS OF LIABILITY; INSURED'S PARTICIPATION

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **personal injury**, or (3) claims made or suits brought on account of **personal injury**, the total liability of the company for all **damages** because of all **personal injury** to which this coverage applies, sustained by any one person or organization, shall not exceed the limit of **personal injury** liability stated in the schedule as "each person aggregate".

Subject to the above provision respecting "each person aggregate", the total limit of the company's liability under this coverage for all **damages** shall not exceed the limit of **personal injury** liability stated in the schedule as "general aggregate".

If a participation percentage is stated in the schedule for the **insured**, the company shall not be liable for a greater proportion of any loss than the difference between such percentage and one hundred percent and the balance of the loss shall be borne by the **insured**; provided, the company may pay the **insured's** portion of a loss to effect settlement of the loss, and, upon notification of the action taken, the **named insured** shall promptly reimburse the company therefor.

IV. AMENDED DEFINITION

When used in reference to this insurance:

"**damages**" means only those damages which are payable because of **personal injury** arising out of an offense to which this insurance applies.

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12:01 A. M., standard time)

to Northern Commercial Company

by The Home Insurance Company

It is understood and agreed the Exclusion (c) of the Personal Injury Liability Insurance Coverage Part (H21015(F) which reads as indicated below, is hereby deleted in its entirety.

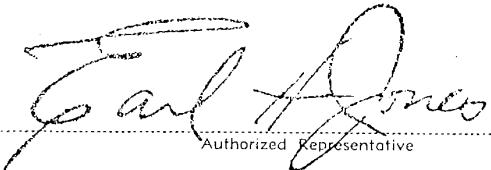
Exclusion (c):

"This insurance does not apply to personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the Named Insured."

All other terms and conditions of this policy remain unchanged.

UNIFORM PRINTING
DIVISION
CHICAGO-INDIANAPOLIS
AND SUPPLY DIVISION

Attachment #9


Authorized Representative

This endorsement, effective, 4/10/72 forms a part of Policy No. GA4 23 39 80
issued to Northern Commercial Company
by The Home Insurance Company

STOP-GAP ENDORSEMENT

In consideration of the premium herein provided, it is agreed that if, under any circumstances, it is determined that any employee of the insured who is reported and declared under the Workmen's Compensation Law or Laws of the State(s) of Washington is injured in the course of his employment but is not entitled to receive (or elects not to accept) the benefits provided by the aforementioned law, then this policy shall cover the legal liability of the insured for such bodily injury, disease, or death.

The Company's liability under this endorsement on account of bodily injury, disease, or death of one person, including damages for care and loss, as the result of one occurrence, is limited to the sum of Two Hundred Fifty Thousand Dollars (\$ 250,000.00 .) And, subject to the same limit for each person, the Company's total liability for bodily injury, disease, or death as a result of one occurrence is limited to the sum of Two Hundred Fifty Thousand Dollars (\$ 250,000.00 .)

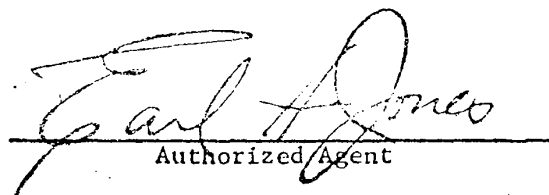
The insurance granted by this endorsement shall not apply to:

- (a) Any premium, assessment, penalty, fine, or other obligation imposed by any Workmen's Compensation law;
- (b) Bodily injury, disease or death suffered or caused by any person knowingly employed by the insured in violation of any law as to age, or under the age of 14 years regardless of any such law;
- (c) Bodily injury, disease or death suffered or caused by any employee whose remuneration has not been included in the total remuneration upon which premium for this endorsement is based;
- (d) Aircraft operation or the performance of any duty in connection with aircraft while in flight;
- (e) Any claim for bodily injury, disease, or death with respect to which the insured is deprived of any defense or is otherwise subject to penalty because of default in premium payment under, or any other failure to comply with the provisions of the Workmen's Compensation Law or Laws of the State(s) above named.

The premium for this endorsement shall be computed upon the remuneration earned by such employees as are reported under the Workmen's Compensation Law or Laws of the State(s) above named.

<u>CODE</u>	<u>ESTIMATED PAYROLL</u>	<u>RATE</u>	<u>PREMIUM</u>	<u>MINIMUM PREMIUM</u>
-------------	--------------------------	-------------	----------------	------------------------

Included in Composite Rate


Authorized Agent

Attachment # 10
PGA-408

NOTE: Do NOT complete attaching clause if endorsement is issued with policy at its inception.

This endorsement, effective, _____, forms part of Policy No. _____

issued to _____

by _____
Name of Insurance Company

Authorized Representative

DECLARATIONS

Item 1. Limits of Liability:

\$ 250,000.00 each claim; \$ 250,000.00 Aggregate

Item 2. PREMIUM COMPUTATION: Estimated Number of Employees: 800

Rate - Each Employee	_____ first 5,000	_____ next 5,000	_____ over 10,000	TOTAL
Estimated Premium	\$ _____	\$ _____	\$ _____	Included in \$ Composite Rate

The company agrees with the insured named in the declarations of the policy hereinafter called "named insured", in consideration of the payment of the premium and in reliance upon the statements in such declarations and subject to all of the terms of this endorsement:

INSURING AGREEMENTS

I. COVERAGE: To pay on behalf of the insured, all sums which the insured shall become legally obligated to pay on account of any claim made against the insured by an employee, former employee or the beneficiaries or legal representatives thereof, and caused by any negligent act, error or omission of the insured or any other person for whose acts the insured is legally liable, in the administration of the insured's Employee Benefit Programs as defined herein and described in the attached schedule made a part hereof, and the company shall defend any suit alleging such negligent act, error or omission and seeking damages which are payable under the terms of this endorsement, even if any of the allegations of the suit are groundless, false or fraudulent, but the company may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not settle or compromise any claim or suit without the written consent of the insured.

II. SUPPLEMENTARY PAYMENTS: In addition to the applicable limit of liability of this endorsement, the company will:

- pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this endorsement, all premiums on appeal bonds required in any such suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the insured in any such suit, all expenses incurred by the company, all interest accruing after entry or judgment, until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the company's liability thereon;
- reimburse the insured for all reasonable expenses, other than loss of earnings, incurred by the insured at the company's request.

III. ENDORSEMENT PERIOD, TERRITORY: This endorsement applies to any negligent act, error or omission of the insured committed during the endorsement period provided claim or suit therefor is brought:

- during the period of this endorsement or within one year from the termination hereof,

(2) within the United States of America, its territories or possessions, or Canada, and such claim or suit is under the legal jurisdiction of a court of law or court of equity therein.

IV. DEFINITIONS:

(a) Insured - The unqualified word "insured" includes the following while acting within the scope of their duties: the named insured and, if it is a corporation, any director, stockholder, executive officer, or other employee thereof, provided such employee is authorized to act in the administration of the insured's Employee Benefit Programs;

(b) Employee Benefit Programs - The term "Employee Benefit Programs" shall mean group life insurance, group accident or health insurance, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security, disability benefits and any other similar Employee Benefit Programs, provided such Employee Benefit Programs are described in the attached schedule of Employee Benefit Programs. Should the insured during the endorsement period, institute additional Employee Benefit Programs, coverage will apply, provided the company is notified of such additional program, or programs, within a period of 30 days after the effective date of such program;

(c) Administration - The unqualified word "Administration" wherever used shall mean:

- giving counsel to employee with respect to the Employee Benefit Programs;
- interpreting the Employee Benefit Programs;
- handling of records in connection with the Employee Benefit Programs;
- effecting enrollment, termination or cancellation of employees under the Employee Benefit Programs;

provided all such acts are authorized by the named insured.

EXCLUSIONS

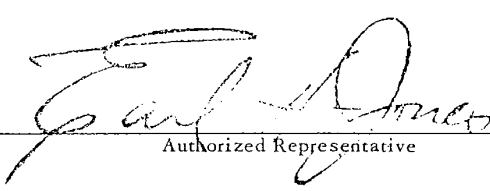
This endorsement does not apply:

- (a) to any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;
- (b) to bodily injury to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;
- (c) to any claim based upon the insured's failure to comply with any law concerning workmen's compensation, unemployment insurance, social security or disability benefits;
- (d) to any claim based upon:
 - (1) failure of stock to perform as represented by an insured,
 - (2) advice given by an insured to any employee to participate or not to participate in stock subscription plans;
- (e) to any claim based upon:
 - (1) the failure of an insurance company or other organization to perform its obligations under a contract with the insured or,
 - (2) any negligent act, error or omission of an insurance company or other organization under contract with the insured.

CONDITIONS

Application of Provisions of Policy and Endorsement: None of the terms of the policy except the conditions of the policy captioned "Action Against Company", "Other Insurance", "Subrogation", "Changes", "Cancellation" and "Declarations" applies to the coverage afforded by this endorsement. None of the terms of this endorsement applies to the coverage afforded by the policy.

- 1. Limit of Liability - The limit of the company's liability stated in the declarations as applicable to "each claim" is the limit of the company's liability for all damages incurred on account of each claim or suit covered hereunder; subject to the foregoing provisions respecting each claim, the limit of liability stated in the declarations as "aggregate" is the total limit of the company's liability for all claims covered hereunder and occurring during each policy year. The inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.
- 2. Deductible Provisions - The insurance afforded by the endorsement applies subject to the following provisions:
 - (a) in the event of a claim \$1,000 shall be deducted from the amount of each claim when determined and the company shall be liable for loss only in excess of that amount;
 - (b) the terms of the policy, including those with respect to notice of claim or suit, and the company's right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the deductible amount;
- 3. Notice of Claim or Suit - As soon as practicable, notice must be given the company on Insured receiving information as to his alleged negligent act, error or omission, with full particulars of any claim arising therefrom. If suit is brought, the Insured must immediately forward to the Company every summons or other process received by him.
- 4. Assignment - The interest of the insured under this endorsement shall not be assignable to any other interest.
- 5. Premium - The premium stated in the endorsement is an estimated premium only. Upon termination of each period of this endorsement the insured on request, will furnish the company with a statement of personnel changes during the endorsement period and the earned premium shall be computed in accordance with the company rules, rates and premiums applicable to this insurance. If the earned premium thus computed exceeds the estimated advance premium paid, the insured shall pay the excess to the company; if less, the company shall return to the insured the unearned portion paid by such insured.
- 6. Terms of Endorsement Conformed to Statute - Terms of this endorsement which are in conflict with the statutes of the state wherein this endorsement is issued are hereby amended to conform to such statutes.


Authorized Representative

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12.01 A. M., standard time)

to Northern Commercial Company

by The Home Insurance Company

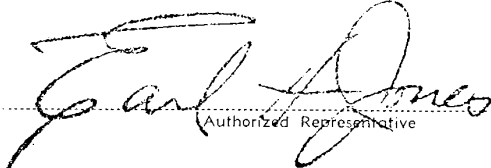
ADDITIONAL INTEREST ENDORSEMENT
(General Liability)

It is hereby agreed that such insurance as is afforded by
this policy for General Liability Bodily Injury Liability -
Coverage A - and General Liability Property Damage Liability -
Coverage B - shall also apply to the following named entity
but such inclusion of additional interest shall not operate
to increase the limits of the Company's liability.

City of Seattle, as respects Lake Union Shorelands
(Ship Repair - Seattle)

All other terms and conditions of this policy remain unchanged.
Attachment #12

UNIFORM PRINTING
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CHICAGO-BRECKIN
AND SUPPLY DIVISION


Authorized Representative

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12 CT A. M., standard time,

to Northern Commercial Company

by The Home Insurance Company

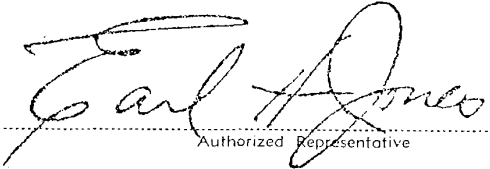
ADDITIONAL INTEREST ENDORSEMENT
(General Liability)

It is hereby agreed that such insurance as is afforded by
this policy for General Liability Bodily Injury Liability
- Coverage A - and General Liability Property Damage
Liability - Coverage B - shall also apply to the following
named entity but such inclusion of additional interest
shall not operate to increase the limits of the Company's
liability.

Associated Leasing as respects store equipment
at Anchorage, Alaska

All other terms and conditions of this policy remain unchanged.
Attachment #13

UNIFORM PRINTING
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CHICAGO-SPRINGFIELD
AND SUPPLY DIVISION


Authorized Representative

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

G 106
ADDITIONAL INSURED
(Employees)

L 9106
(Ed. 7-66)

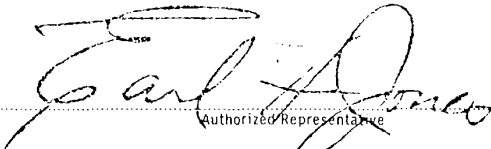
This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
STOREKEEPER'S INSURANCE

This endorsement, effective _____, forms a part of policy No. _____
(12:01 A. M., standard time)

issued to

by


Authorized Representative

It is agreed that the "Persons Insured" provision is amended to include any employee of the named insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

1. to bodily injury to (a) another employee of the named insured arising out of or in the course of his employment or (b) the named insured or, if the named insured is a partnership or joint venture, any partner or member thereof;
2. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by (a) another employee of the named insured or (b) the named insured, or, if the named insured is a partnership or joint venture, any partner or member thereof.



Attachment #15

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

IRB-G 335 — G 335
EXCLUSION
(Contamination or Pollution)

L 6481
(Ed. 6-70)

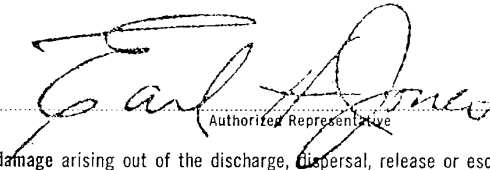
This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY INSURANCE — NEW YORK DEPARTMENT OF TRANSPORTATION
STOREKEEPER'S INSURANCE

This endorsement, effective _____, forms a part of policy No. _____
(12:01 A. M., standard time)

issued to _____

by _____


Authorized Representative

It is agreed that the insurance does not apply to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.



Attachment #16

COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE



For attachment to Policy No. GA4 23 39 80, to complete said policy. Inception date of Policy 4/10/72

SCHEDULE

The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability		Coverages
each person	each occurrence	
CSL 250,000	\$ -----,000	C—Bodily Injury Liability See Single Limit Endorsement
	\$ -----,000	D—Property Damage Liability

Description of Hazards						Advance Premiums	
1. Owned Automobiles — Premium Basis — Per Automobile						BI	PD
Town or City and State in Which the Automobile Will Be Principally Garaged	Year of Model	Trade Name	Body Type and Model; Truck Size; Tank Gallonage Capacity; or Bus Seating Capacity	Identification Number Serial Number Motor Number	Purposes of Use		
Included in Composite Rate						31,178.00	
2. Hired Automobiles — Premium Basis — Cost of Hire							
Types Hired	Locations Where Automobiles Will Be Principally Used	Purposes of Use	Estimated Cost of Hire	Rates Per \$100 Cost of Hire			
				BI	PD		
						If Any	
3. Non-Owned Automobiles — Premium Basis — Class 1 Persons and Class 2 Employees							
Class 1 Persons—Name of Each			Location of Headquarters of Persons Named Herein				
						If Any	
Class 2 Employees—Estimated Average Number			Location of Headquarters of Class 2 Employees		Rates Per Employee		
					BI	PD	
						Included	
Form numbers of endorsements attached at issue				Total Advance B.I. and P.D. Premiums		\$ 31,178.00	\$
						\$	\$
Attachment #17				Total Advance Premium		\$ 31,178.00	

When used as a premium basis:

- A. "cost of hire" means the amount incurred for (a) the hire of automobiles, including the entire remuneration of each employee of the named insured engaged in the operation of such automobiles subject to an average weekly maximum remuneration of \$100, and for (b) pick-up, transportation or delivery service of property or passengers, other than such services performed by motor carriers which are subject to the security requirements of any motor carrier law or ordinance. The rates for each \$100 of "cost of hire" shall be 5% of the applicable hired automobile rates, provided the owner of such hired automobile has purchased automobile Bodily Injury Liability and Property Damage Liability insurance covering the interest of the named insured on a direct primary basis as respects such automobile and submits evidence of such insurance to the named insured;
- B. "Class 1 persons" means the following persons, provided their usual duties in the business of the named insured include the use of non-owned automobiles: (a) all employees, including officers, of the named insured compensated for the use of such automobiles by salary, commission, terms of employment, or specific operating allowance of any sort; (b) all direct agents and representatives of the named insured;
- C. "Class 2 employees" means all employees, including officers, of the named insured, not included in Class 1 persons.

I. COVERAGE C—BODILY INJURY LIABILITY

COVERAGE D—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

C. bodily injury or

D. property damage

to which this insurance applies, caused by an occurrence and arising out of the ownership, maintenance or use, including loading and unloading, of any automobile, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement;
- (b) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (c) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured, but this exclusion does not apply to any such injury arising out of and in the course of domestic employment by the insured unless benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (d) to property damage to
 - (1) property owned or being transported by the insured, or
 - (2) property rented to or in the care, custody or control of the insured, or as to which the insured is for any purpose exercising physical control, other than property damage to a residence or private garage by a private passenger automobile covered by this insurance;
- (e) to bodily injury due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to expenses for first aid under the Supplementary Payments provision.

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) the named insured;
- (b) any partner or executive officer thereof, but with respect to a non-owned automobile only while such automobile is being used in the business of the named insured;
- (c) any other person while using an owned automobile or a hired automobile with the permission of the named insured, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to bodily injury or property damage arising out of the loading or unloading thereof, such other person shall be an insured only if he is:
 - (1) a lessee or borrower of the automobile, or
 - (2) an employee of the named insured or of such lessee or borrower;
- (d) any other person or organization but only with respect to his or its liability because of acts or omissions of an insured under (a), (b) or (c) above.

None of the following is an insured:

- (i) any person while engaged in the business of his employer with respect to bodily injury to any fellow employee of such person injured in the course of his employment;
- (ii) the owner or lessee (of whom the named insured is a sub-lessee) of a hired automobile or the owner of a non-owned automobile, or any agent or employee of any such owner or lessee;
- (iii) an executive officer with respect to an automobile owned by him or by a member of his household;

(iv) any person or organization, other than the named insured, with respect to:

- (1) a motor vehicle while used with any trailer owned or hired by such person or organization and not covered by like insurance in the company (except a trailer designed for use with a private passenger automobile and not being used for business purposes with another type motor vehicle), or
- (2) a trailer while used with any motor vehicle owned or hired by such person or organization and not covered by like insurance in the company;

(v) any person while employed in or otherwise engaged in duties in connection with an automobile business, other than an automobile business operated by the named insured.

This insurance does not apply to bodily injury or property damage arising out of (1) a non-owned automobile used in the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured, or (2) if the named insured is a partnership, an automobile owned by or registered in the name of a partner thereof.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage or (4) automobiles to which this policy applies, the company's liability is limited as follows:

Coverage C—The limit of bodily injury liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all damages because of bodily injury sustained by one person as the result of any one occurrence; but subject to the above provision respecting "each person", the total liability of the company for all damages because of bodily injury sustained by two or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

Coverage D—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Coverages C and D—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to bodily injury or property damage which occurs during the policy period within the territory described in paragraph (1) or (2) of the definition of policy territory.

V. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"automobile business" means the business or occupation of selling, repairing, servicing, storing or parking automobiles;

"hired automobile" means an automobile not owned by the named insured which is used under contract in behalf of, or loaned to, the named insured, provided such automobile is not owned by or registered in the name of (a) a partner or executive officer of the named insured or (b) an employee or agent of the named insured who is granted an operating allowance of any sort for the use of such automobile;

"non-owned automobile" means an automobile which is neither an owned automobile nor a hired automobile;

"owned automobile" means an automobile owned by the named insured;

"private passenger automobile" means a four wheel private passenger or station wagon type automobile;

"trailer" includes semi-trailer but does not include mobile equipment.

VI. ADDITIONAL CONDITION

Excess Insurance—Hired and Non-Owned Automobiles

With respect to a hired automobile or a non-owned automobile, this insurance shall be excess insurance over any other valid and collectible insurance available to the insured.



SCHEDULE OF AUTOMOBILES

ATTACHED TO AND FORMING
PART OF POLICY NUMBER GA4 23 39 80

DESCRIPTION OF THE AUTOMOBILE AND FACTS RESPECTING ITS PURCHASE BY THE NAMED INSURED

ITEM NO.	YEAR • TRADE NAME • BODY TYPE • TRUCK SIZE • TRUCK LOAD GALLONAGE, BUS SEATING CAPACITY (Indicate if Diesel)	IDENTIFICATION NUMBER	USE	GARAGED AT	TERR.	RADIUS MAX. MI.	ORIGINAL COST NEW	PURCHASED		
								COST	MO./YR.	N/U
1.	1968 Ford Custom 500	8P53Y125702	B	Ketchikan, Alaska	03					
2.	1968 Ford Fairlane Ranchero	18K48F139274	B	Anchorage, Alaska	01					
3.	1969 Ford Galaxie 500	9W54Y169387	B	Seattle, Washington	01					
4.	1969 Ford Galaxie 500	9W54Y1711508	B	Seattle, Washington	01					
5.	1969 Ford Galaxie 500	9W54Y169388	B	Seattle, Washington	01					
6.	1969 Ford Galaxie 500	9W54Y172796	B	Seattle, Washington	01					
7.	1969 Ford Galaxie 500	9W54Y169389	B	Chehalis, Washington	20					
8.	1969 Ford Galaxie 500	9W54Y172798	B	Juneau, Alaska	03					
9.	1970 Ford F100 Pickup	F10YRH14066	C	Ketchikan, Alaska	03	50	3,200.			

THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGES

ITEM NO.	LIABILITY					PHYSICAL DAMAGE*								
	CLASS	BODILY INJURY	PROPERTY DAMAGE	MEDICAL	UNINSURED MOTORISTS	SYM.	AGE GR.	COV. LTR.	LIMITS OF LIABILITY	RATE	PREMIUM	COLLISION		TOWING AND LABOR
												DEDUCT.	PREMIUM	
1.		\$	\$	\$	\$	4	5	0	ACV -100.		\$ 33.00	250.	\$ 63.00	\$
2.						4	5	0	ACV -100.		34.00	250.	70.00	
3.						4	4	0	ACV -100.		9.00	250.	41.00	
4.						4	4	0	ACV -100.		9.00	250.	41.00	
5.						4	4	0	ACV -100.		9.00	250.	41.00	
6.						4	4	0	ACV -100.		9.00	250.	41.00	
7.						4	4	0	ACV -100.		12.00	250.	35.00	
8.						4	4	0	ACV -100.		33.00	250.	63.00	
9.							3	0	ACV -100.		20.00	250.	24.00	
FLEET CR. %		TOTAL	\$	\$	\$	\$					\$	FLEET CR. %	\$	\$

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CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003292



SCHEDULE OF AUTOMOBILES

ATTACHED TO AND FORMING PART OF POLICY NUMBER GA 23 39 80

DESCRIPTION OF THE AUTOMOBILE AND FACTS RESPECTING ITS PURCHASE BY THE NAMED INSURED

ITEM NO.	YEAR•TRADE NAME•BODY TYPE•TRUCK SIZE•TRUCK LOAD GALLONAGE, BUS SEATING CAPACITY (Indicate if Diesel)	IDENTIFICATION NUMBER	USE	GARAGED AT	TERR	RADIUS MAX. MI.	ORIGINAL COST NEW	PURCHASED		
								COST	MO./YR.	N/U
10.	1969 Ford Falaxie 500	9P73Y131985	B	Anchorage, Alaska	01					
11.	1966 Ford F100 Pickup	F10BR845250	C	Anchorage, Alaska	01	50	3,000.			
12.	1969 Ford Ranchero 500	9A48H277959	B	Fairbanks, Alaska	02					
13.	1970 Ford Ranchero 500	0A47H166756	B	Fairbanks, Alaska	02					
14.	1970 Ford F100 Pickup	F10GRG76316	B	Whitehorse, Y.T.	03	50				
15.	1972 Ford Ltd Brougham	2Q66F101556	B	Seattle, Washington	01					
16.	1970 Ford Galaxie 500	1UG54Y175234	B	Mt. Vernon, Washington	17					
17.	1970 Ford Galaxie 500	0G54Y175233	B	Mt. Vernon, Washington	17					
18.	1972 Plymouth Fury	PH41K2D101287	B	Seattle, Washington	01					

THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGES

THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH COVERAGE AS IS INDICATED BY CHECKING THE APPROPRIATE BOXES														
ITEM NO.	LIABILITY					PHYSICAL DAMAGE*								
	CLASS	BODILY INJURY	PROPERTY DAMAGE	MEDICAL	UNINSURED MOTORISTS	SYM.	AGE GR.	COV. LTR.	LIMITS OF LIABILITY	RATE	PREMIUM	COLLISION		TOWING AND LABOR
												DEDUCT.	PREMIUM	
10.		\$	\$	\$	\$	4	4	0	ACV -100.		\$ 34.00	250.	\$ 70.00	\$
11.							4	0	ACV -100.		14.00	250.	24.00	
12.						4	4	0	ACV -100.		50.00	250.	68.00	
13.							3	0	ACV -100.		68.00	250.	78.00	
14.							3	0	ACV -100.		20.00	250.	24.00	
15.						4	1	0	ACV -100.		16.00	250.	54.00	
16.						4	3	0	ACV -100.		18.00	250.	41.00	
17.						4	3	0	ACV -100.		18.00	250.	41.00	
18.						4	1	0	ACV -100.		14.00		48.00	
FLEET CR. %		TOTAL	\$	\$	\$	\$					\$	FLEET CR. %	\$	\$

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Attachment #18 Page 2 of 5 Pages

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CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003293



SCHEDULE OF AUTOMOBILES

ATTACHED TO AND FORMING
PART OF POLICY NUMBER CA4 23 39 80

DESCRIPTION OF THE AUTOMOBILE AND FACTS RESPECTING ITS PURCHASE BY THE NAMED INSURED

ITEM NO.	YEAR•TRADE NAME•BODY TYPE•TRUCK SIZE•TRUCK LOAD GALLONAGE, BUS SEATING CAPACITY (Indicate if Diesel)	IDENTIFICATION NUMBER	USE	GARAGED AT	TERR	RADIUS MAX. MI.	ORIGINAL COST NEW	PURCHASED		
								COST	MO./YR.	N/U
19.	1970 Ford F100 Pickup	F10YRH14066	C	Ketchikan, Alaska	03	50	3,000.			
20.	1970 Ford F250 Pickup	F25HRH92109	C	Mt. Vernon, Washington	17	50	3,000.			
21.	1970 Ford LN 6000 Flatbed Truck	R61NH84783	C	Fairbanks, Alaska	02	50	3,500.			
22.	1970 Ford Galaxie 500	OP54Y116884	B	Seattle, Washington	01					
23.	1970 Ford Galaxie 500	OP54Y158972	B	Seattle, Washington	01					
24.	1970 Ford Galaxie 500	OP54Y172654	B	Seattle, Washington	01					
25.	1971 Ford Galaxie 500	1P54S133233	B	Seattle, Washington	01					
26.	1971 Ford Galaxie 500	1P54S133234	B	Seattle, Washington	01					
27.	1971 Ford Galaxie 500	1P54S142396	B	Seattle, Washington	01					

THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGES

THE INSURANCE AFFORDED IS GIVEN WITHOUT RESPECT TO COVER OR EXCLUSIONS														
ITEM NO.	LIABILITY					PHYSICAL DAMAGE*								
	CLASS	BODILY INJURY	PROPERTY DAMAGE	MEDICAL	UNINSURED MOTORISTS	SYM.	AGE GR.	COV. LTR.	LIMITS OF LIABILITY	RATE	PREMIUM	COLLISION		TOWING AND LABOR
												DEDUCT.	PREMIUM	
19.		\$	\$	\$	\$		3	0	ACV -100.		\$ 20.00	250.	\$ 24.00	\$
20.							3	0	ACV -100.		9.00	250.	24.00	
21.							3	0	ACV -100.		18.00	250.	33.00	
22.						4	3	0	ACV -100.		14.00	250.	48.00	
23.						4	3	0	ACV -100.		14.00	250.	48.00	
24.						4	3	0	ACV -100.		14.00	250.	48.00	
25.						4	2	0	ACV -100.		14.00	250.	48.00	
26.						4	2	0	ACV -100.		14.00	250.	48.00	
27.						4	2	0	ACV -100.		14.00	250.	48.00	
FLEET CR. %	TOTAL	\$	\$	\$	\$						\$	FLEET CR. %	\$	\$

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CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003294



SCHEDULE OF AUTOMOBILES

ATTACHED TO AND FORM II
PART OF POLICY NUMBER CA 23 39 80

DESCRIPTION OF THE AUTOMOBILE AND FACTS RESPECTING ITS PURCHASE BY THE NAMED INSURED

ITEM NO.	YEAR•TRADE NAME•BODY TYPE•TRUCK SIZE•TRUCK LOAD GALLONAGE, BUS SEATING CAPACITY (Indicate if Diesel)	IDENTIFICATION NUMBER	USE	GARAGED AT	TERR	RADIUS MAX. MI.	ORIGINAL COST NEW	PURCHASED		
								COST	MO./YR.	N/U
28.	1971 Ford Galaxie 500	1P54S138098	B	Seattle, Washington	01					
29.	1971 Ford Ranchero 500	1A47H165930	B	Seattle, Washington	01					
30.	1971 Ford Galaxie 500	1P54S142398	B	Seattle, Washington	01					
31.	1971 Ford Galaxie 500	1P54S142394	B	Seattle, Washington	01					
32.	1971 Ford Galaxie 500	1P54S142395	B	Anchorage, Alaska	01					
33.	1971 Ford Ranchero 500	1A47H1G5931	B	Mt. Vernon, Washington	17					
34.	1971 Ford Ranchero 500	1A47H174802	B	Seattle, Washington	01					
35.	1971 Ford Galaxie 500	1P54S142397	B	Chehalis, Washington	20					
36.	1971 Ford Galaxie 500	1P74S134230	B	Chehalis, Washington	20					

THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGES

ITEM NO.	LIABILITY					PHYSICAL DAMAGE*								
	CLASS	BODILY INJURY	PROPERTY DAMAGE	MEDICAL	UNINSURED MOTORISTS	SYM.	AGE GR.	COV. LTR.	LIMITS OF LIABILITY	RATE	PREMIUM	COLLISION		TOWING AND LABOR
												DEDUCT.	PREMIUM	
28.		\$	\$	\$	\$	4	2	0	ACV -100.		\$ 14.00	250.	\$ 48.00	\$
29.						4	2	0	ACV -100.		14.00	250.	48.00	
30.						4	2	0	ACV -100.		14.00	250.	48.00	
31.						4	2	0	ACV -100.		14.00	250.	48.00	
32.						4	2	0	ACV - 100.		48.00	250.	82.00	
33.						4	2	0	ACV -100.		18.00	250.	41.00	
34.						4	2	0	ACV -100.		14.00	250.	48.00	
35.						4	2	0	ACV -100.		18.00	250.	41.00	
36.						4	2	0	ACV -100.		18.00	250.	41.00	
FLEET CR. % TOTAL		\$	\$	\$	\$						\$	FLEET CR. %	\$	\$

Attachment #18 Page 4 of 5 Pages

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CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003295



SCHEDULE OF AUTOMOBILES

ATTACHED TO AND FORM
PART OF POLICY NUMBER 44 23 39 80

DESCRIPTION OF THE AUTOMOBILE AND FACTS RESPECTING ITS PURCHASE BY THE NAMED INSURED

ITEM NO.	YEAR•TRADE NAME•BODY TYPE•TRUCK SIZE•TRUCK LOAD GALLONAGE, BUS SEATING CAPACITY (Indicate if Diesel)	IDENTIFICATION NUMBER	USE	GARAGED AT	TERR	RADIUS MAX. MI.	ORIGINAL COST NEW	PURCHASED		
								COST	MO./YR.	N/U
37.	1971 Ford Galaxie 500	1P54S136097	B	Chehalis, Washington	20					
38.	1971 Ford Galaxie 500	1P54S142399	B	Chehalis, Washington	20					
39.	1971 Ford Galaxie 500	1P74S142400	B	Chehalis, Washington	20					
40.	1969 Ford Galaxie 500	9P73Y131985	B	Anchorage, Alaska	01					
41.	1971 Ford Galaxie 500	1P54S133235	B	Anchorage, Alaska	01					
42.	1971 Ford F250 Pickup	F25YRM00631	B	Fairbanks, Alaska	02	50	3,500.			
43.	1972 Ford ½ Ton Pickup	F10GCN12482	B	Whitehorse, Y.T.	03	50	3,000.			
44.	1972 Dodge Dart Coupe	LL29C2B268539	B	Anchorage, Alaska	01					

THE INSURANCE AFFORDED IS ONLY WITH RESPECT TO SUCH COVERAGES AS ARE INDICATED BY SPECIFIC PREMIUM CHARGES

ITEM NO.	CLASS	LIABILITY				PHYSICAL DAMAGE*								
		BODILY INJURY	PROPERTY DAMAGE	MEDICAL	UNINSURED MOTORISTS	SYM.	AGE GR.	COV. LTR.	LIMITS OF LIABILITY	RATE	PREMIUM	COLLISION		TOWING AND LABOR
												DEDUCT.	PREMIUM	
37.		\$	\$	\$	\$	4	2	0	ACV -100.		\$ 18.00	250.	\$ 41.00	\$
38.						4	2	0	ACV -100.		18.00	250.	41.00	
39.						4	2	0	ACV -100.		18.00	250.	41.00	
40.						4	2	0	ACV -100.		48.00	250.	82.00	
41.						4	2	0	ACV -100.		48.00	250.	82.00	
42.							2	0	ACV -100.		39.00	250.	34.00	
43.							1	0	ACV -100.		50.00	250.	47.00	
44.						4	1	0	ACV -100.		63.00	250.	108.00	
									ANNUAL TOTAL		1,025.00		2,157.00	
FLEET CR. %	TOTAL	\$	\$	\$	\$					\$ 912.00		FLEET CR. %	\$ 1,920.00	\$ Pro Rata

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CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003296

COVERAGE PART

AUTOMOBILE PH L DAMAGE INSURANCE (Fleet Automatic)

A 6118a
(Ed. 10-66)For attachment to Policy No. GA4 23 39 80, to complete said policy.

SCHEDULE

PHF Item 1. The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges and, under each such Coverage, applies only to such covered automobiles as are indicated, by entry herein, of one or more of the designating numerals for that purpose appearing in PHF Item 4. The limit of the company's liability against each such Coverage shall be as stated or designated herein, subject to all the terms of this insurance having reference thereto.

ADVANCE PREMIUM	LIMIT OF LIABILITY— Each covered automobile				COVERED AUTOMOBILES	COVERAGES
	IF ACTUAL CASH VALUE (ACV) Enter: "ACV" and DEDUCTIBLE	IF STATED AMOUNT Enter: AMOUNT and DEDUCTIBLE	OTHERWISE, Enter: "S", meaning "as separately stated in PHF Item 2(c)"			
\$ 912.00	\$ 100.00	\$	\$			O — COMPREHENSIVE
	\$ 250.00					P — COLLISION
\$ 1,920.00						Q — FIRE, LIGHTNING OR TRANSPORTATION
						R — THEFT
						S — WINDSTORM, HAIL, EARTHQUAKE OR EXPLOSION
						T — COMBINED ADDITIONAL
						V — TOWING (Not available in California)
	\$25 for each disablement					
Form numbers of endorsements attached at issue						
\$ 2,832.00	Total Advance Premium					

Any one covered automobile \$ 10,000.00
 All covered automobiles at any one location \$ 350,000.00
 All covered automobiles \$ 150,000.00

Records to be submitted: ☐ Monthly ☐ Quarterly ☐ Semi-Annually

PHF Item 2. Covered Automobiles as of Effective Date of this Insurance:

(a) Description; Purposes of Use (P & B = Pleasure and Business; C = Commercial)

Auto	Year Model	Trade Name	Body Type—Capacity (Truck Load, Gallonage, Bus Seating); Identification (I), Serial (S), Motor (M) No.; Cylinders (No.); Model	Principally Garaged In (Town, State)	Purpose of Use	Classification
1						
2						
3						
4						
5						
6						
7						

As Per Schedule of Automobiles

Auto	Respecting Purchase	List Price	Actual Cost	Purchased Mo. & Yr.—New (N); Used (U)	Rating Symbol	Any loss under Coverages other than Towing is payable as interest may appear to the named insured and the Loss Payee named below:
1						
2						
3						
4						
5						
6						
7						

Attachment #19

(c) Limit of Liability (if not stated in PHF Item 1); Net Rates; Advance Premium

Auto	LIMIT OF LIABILITY—Each covered automobile described in (a) above and covered for:				Net Rates	Coverages
	Coverages other than Collision Enter: Amount or "ACV" and Deductible	Collision Enter: "ACV" and Deductible				
1	\$	\$	ACV	\$		O — Comprehensive
2	\$	\$	ACV	\$	X X X	P — Collision
3	\$	\$	ACV	\$		Q — Fire, Lightning or Transportation
4	\$	\$	ACV	\$		R — Theft
5	\$	\$	ACV	\$		S — Windstorm, Hail, Earthquake or Explosion
6	\$	\$	ACV	\$		T — Combined Additional
7	\$	\$	ACV	\$	X X X	V — Towing

"ACV" = ACTUAL CASH VALUE

Auto	ADVANCE PREMIUM						
	Coverage O	Coverage P	Coverage Q	Coverage R	Coverage S	Coverage T	Coverage V
1	\$	\$	\$	\$	\$	\$	\$
2	\$	\$	\$	\$	\$	\$	\$
3	\$	\$	\$	\$	\$	\$	\$
4	\$	\$	\$	\$	\$	\$	\$
5	\$	\$	\$	\$	\$	\$	\$
6	\$	\$	\$	\$	\$	\$	\$
7	\$	\$	\$	\$	\$	\$	\$
Totals	\$	\$	\$	\$	\$	\$	\$

PHF Item 3. Except with respect to bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance, the named insured is the sole owner of the automobile designated in PHF Item 1 as covered under this insurance, unless otherwise stated herein:

PHF Item 4. Explanation of entries in PHF Item 1 for designating the covered automobiles to which this insurance applies, under each Coverage afforded.

1 — all covered automobiles

2 — all registered covered automobiles

3 — all covered automobiles of the private passenger type

4 — all covered automobiles of the commercial type

5 — the covered automobiles described in PHF Item 2 (including newly acquired vehicles, subject to the provisions of paragraph (b) of the "covered automobile" definition)

When so entered in addition to numerals 1, 2, 3 or 4:

6 — excluding vehicles leased to the named insured

7 — excluding, under Collision Coverage, any vehicle not having an actual cash value of at least \$ (over)

CONFIDENTIAL BUSINESS INFORMATION - DO NOT DISCLOSE

SKN 003297

I. COVERAGE AGREEMENTS

1. The company will provide coverage for loss to covered automobiles, under:

COVERAGE O. COMBINED—from any cause except collision; but, for the purpose of this coverage, breakage of glass and loss caused by missiles, falling objects, fire, theft or larceny, windstorm, hail, earthquake, explosion, riot or civil commotion, malicious mischief or vandalism, water, flood, or (as to a covered automobile of the private passenger type) colliding with a bird or animal, shall not be deemed loss caused by collision;

COVERAGE P. COLLISION—caused by collision;

COVERAGE Q. FIRE, LIGHTNING OR TRANSPORTATION—caused by

- fire or lightning;
- smoke or smudge due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the covered automobile is located; or
- the stranding, sinking, burning, collision or derailment of any conveyance in or upon which the covered automobile is being transported;

COVERAGE R. THEFT—caused by theft or larceny;

COVERAGE S. WINDSTORM, HAIL, EARTHQUAKE OR EXPLOSION—caused by windstorm, hail, earthquake or explosion;

COVERAGE T. COMBINED ADDITIONAL—caused by

- windstorm, hail, earthquake or explosion,
- riot or civil commotion,
- the forced landing or falling of any aircraft or its parts or equipment,
- malicious mischief or vandalism,
- flood or rising waters, or
- external discharge or leakage of water;

provided that, with respect to each covered automobile,

- under the Comprehensive coverage (except as to loss from any of the causes described in the Fire, Lightning or Transportation coverage) and under the Collision coverage, such payment shall be only for the amount of each loss in excess of the deductible amount, if any, stated in the schedule as applicable thereto;
- under the Combined Additional coverage, \$25 shall be deducted from the amount of each loss caused by malicious mischief or vandalism.

2. The company will pay, under:

COVERAGE V. TOWING—for towing and labor costs necessitated by the disablement of covered automobiles, provided the labor is performed at the place of disablement.

3. SUPPLEMENTARY PAYMENTS

In addition to the applicable limits of liability, the company will:

- with respect to such transportation insurance as is afforded herein, pay general average and salvage charges for which the named insured becomes legally liable;
- reimburse the named insured, in the event of a theft covered by this insurance of an entire covered automobile of the private passenger type (not used as a public or livery conveyance and not, at time of theft, being held for sale by an automobile dealer), for expense incurred for the rental of a substitute for such covered automobile during the period commencing 48 hours after such theft has been reported to the company and the police and terminating, regardless of expiration of the policy period, when such covered automobile is returned to use or the company pays for the loss; but, as to any one such theft, such reimbursement shall not exceed \$10 for any one day nor \$300 total.
- Such insurance as is afforded under each coverage applies separately to each covered automobile, and a land motor vehicle and one or more trailers or semitrailers attached thereto shall be held to be separate covered automobiles as respects limits of liability and any deductible provisions applicable thereto.

Exclusions

This insurance does not apply:

- to any covered automobile while used as a public or livery conveyance, unless such use is specifically declared and described in the schedule;
- to damage which is due and confined to:
 - wear and tear, or
 - freezing, or
 - mechanical or electrical breakdown or failure, unless such damage is the result of other loss covered by this insurance;
- to tires, unless
 - loss be coincident with and from the same cause as other loss covered by this insurance; or
 - damaged by fire (and, if a covered automobile of the private passenger type, by malicious mischief or vandalism) or stolen and, as to the covered automobile, loss caused by such damage or theft is covered by this insurance;
- to loss due to
 - war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
 - radioactive contamination;
- under the Comprehensive and Theft coverages, to loss or damage due to conversion, embezzlement or secretion by any person in possession of a covered automobile under a bailment, lease, conditional sale, purchase agreement, mortgage or other encumbrance;
- under the Collision coverage, to breakage of glass if insurance with respect to such breakage is otherwise afforded herein;
- under the Windstorm, Hail, Earthquake or Explosion and Combined Additional coverages, to loss resulting from rain, snow or sleet, whether or not wind-driven.

II. LIMIT OF LIABILITY

1. The limit of the company's liability for loss to any one covered automobile shall not exceed the least of the following amounts:

- the actual cash value of such covered automobile, or if the loss is to a part thereof the actual cash value of such part, at time of loss; or
- what it would then cost to repair or replace such covered automobile or part thereof with other of like kind and quality, with deduction for depreciation; or
- the limit of liability stated in the schedule as applicable to "each covered automobile" under the coverage afforded for the loss to such covered automobile, provided that if such limit of liability is expressed as a stated amount it shall, with respect to a covered automobile newly acquired during the policy period and not described in the schedule, be deemed as having been replaced by "actual cash value";

and, subject to the above provisions, shall not in any event exceed the amount, if any, stated in the schedule as the "maximum limit of liability" applicable to "any one covered automobile."

2. The total limit of the company's liability for all loss directly attributable to a single happening out of which loss occurs shall not exceed:

- as to all covered automobiles at any one location, the amount, if any, stated in the schedule as the "maximum limit of liability" applicable thereto, subject to the above provisions respecting any one covered automobile;
- as to all covered automobiles, the amount, if any, stated in the schedule as the "maximum limit of liability" applicable thereto, subject to the above provisions respecting (i) any one covered automobile and (ii) any one location.

III. POLICY PERIOD; TERRITORY; PURPOSES OF USE

This insurance applies only to loss which occurs during the policy period, while the covered automobile is within the United States of America, its territories or possessions, or is being transported between ports thereof; and, if a covered automobile described in the schedule, is maintained and used for the purposes stated therein as applicable thereto.

IV. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"collision" means (i) collision of a covered automobile with another object or with a vehicle to which it is attached, or (ii) upset of such covered automobile;

"commercial type" means

- a land motor vehicle of the truck, pick-up, express, sedan or panel delivery type, including truck-type tractors, trailers and semitrailers, used for the transportation or delivery of goods or merchandise or for other business purposes; or
 - an altered private passenger type vehicle used for retail or wholesale delivery.
- "covered automobile" means a land motor vehicle, trailer or semitrailer, including its equipment and other equipment permanently attached thereto (but not including robes, wearing apparel or personal effects), which is either
- designated in the schedule, by description or otherwise, as a covered automobile to which this insurance applies and is:

- owned by the named insured; or
 - leased to the named insured for a term of not less than one year under an agreement expressly prohibiting any right of the lessor or owner to use such vehicle during the term of such lease except either as an operator employed by the named insured or for its repair or exchange; or
- if not so designated, such vehicle is newly acquired by the named insured during the policy period provided, however, that:
 - it replaces a described covered automobile, or as of the date of its delivery this insurance applies to all covered automobiles; and
 - the named insured notifies the company within 30 days following such delivery date;

but "covered automobile" does not include a vehicle owned by or registered in the name of any individual partner or executive officer of the named insured, unless specifically stated otherwise by endorsement forming a part of the policy;

"loss" means direct and accidental loss or damage;

"private passenger type" means a 4-wheel land motor vehicle of the private passenger or station wagon type;

as to "purposes of use":

"commercial" means use principally in the business occupation of the named insured as stated in the declarations, including occasional use for personal, pleasure, family and other business purposes;

"pleasure and business" means personal, pleasure, family and business use.

V. CONDITIONS

None of the Conditions of the policy shall apply to this insurance except "Premium", "Inspection and Audit", "Subrogation", "Changes", "Assignment", "Three Year Policy", "Cancellation" and "Declarations". This insurance shall also be subject to the following additional Conditions:

1. Named Insured's Duties in Event of Loss

In the event of loss the named insured shall:

- protect the covered automobile, whether or not this insurance applies to the loss, and any further loss or damage due to the named insured's failure to protect shall not be recoverable under this insurance; reasonable expenses incurred in affording such protection shall be deemed incurred at the company's request;
 - give notice thereof as soon as practicable to the company or any of its authorized agents and also, in the event of theft or larceny, to the police;
 - file with the company, within 91 days after loss, his sworn proof of loss in such form and including such information as the company may reasonably require; upon the company's request, shall exhibit the damaged property and submit to examination under oath;
 - cooperate with the company and, upon the company's request, shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the named insured because of loss with respect to which this insurance applies; and shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses;
- but the named insured shall not, except at his own cost, voluntarily make any payment, assume any obligation, offer or pay any reward for recovery of stolen property or incur any expense other than as specifically provided in this insurance.

2. Payment for Loss

With respect to any loss covered by this insurance, the company may pay for said loss in money, or may:

- repair or replace the damaged or stolen property; or
 - return at its expense any stolen property to the named insured, with payment for any resultant damage thereto, at any time before the loss is so paid or the property is so replaced; or
 - take all or any part of the damaged or stolen property at the agreed or appraised value,
- but there shall be no abandonment to the company.

3. Appraisal

If the named insured and the company fail to agree as to the amount of loss, either may, within 60 days after proof of loss is filed, demand an appraisal of the loss. In such event the named insured and the company shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of loss and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The named insured and the company shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

The company shall not be held to have waived any of its rights by any act relating to appraisal.

4. Action Against Company

No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this insurance not until 30 days after proof of loss is filed and the amount of loss is determined as provided in this insurance.

5. Other Insurance

If the named insured has other insurance against a loss covered by this insurance, the company shall not be liable under this insurance for a greater proportion of such loss than the applicable limit of liability stated in the schedule bears to the total applicable limit of liability of all valid and collectible insurance against such loss; provided, however, with respect to any covered automobile newly acquired during the policy period and not described in the schedule, this insurance shall not apply to any loss against which the named insured has other valid and collectible insurance.

6. No Benefit to Bailee

None of the provisions of this insurance shall inure directly or indirectly, to the benefit of any carrier or other bailee for hire.

7. Terms of Insurance Conformed to Statute

Terms of this insurance which are in conflict with the statutes of the state wherein this insurance is issued are hereby amended to conform to such statutes.

CONFIDENTIAL

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

AUTOMOBILE

BASIC COMBINATION

AL 8863
(Ed. 5-70)

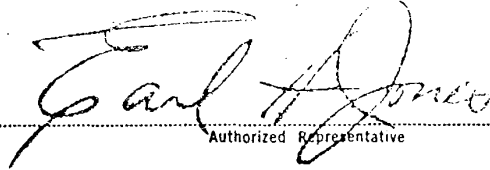
A925

SOUND-REPRODUCING OR RECORDING EQUIPMENT EXCLUDED

This endorsement, effective (12:01 A.M., standard time) , forms a part of policy No.

issued to

by


Authorized Representative

It is agreed that such insurance as is afforded by the policy under the Comprehensive Loss of or Damage to the Automobile, except by Collision or Upset; Collision or Upset; Fire, Lightning and Transportation; Theft (Broad Form); Windstorm, Hail, Earthquake or Explosion; Combined Additional Coverage; and Towing and Labor Costs is subject to the following additional exclusions:

The insurance does not apply:

- (1) to loss of or damage to any device or instrument designed for the recording, reproduction, or recording and reproduction of sound unless such device or instrument is permanently installed in the automobile;
- (2) to loss of or damage to any tape, wire, record disc or other medium for use with any device or instrument designed for the recording, reproduction, or recording and reproduction of sound.



Attachment #20

Item 1. The insurance afforded is only with respect to such of the following coverages and hazards thereunder as are indicated by specific premium charge or charges. Limit of the company's liability against each such coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability		Coverages	Hazards	Advance Premiums
Garage Liability	\$CSL 250,000 each person See Single Limit \$ -----,000 each occurrence	G—Bodily Injury Liability Endorsement	Garage operations including Automobile Hazard <u>1</u> <i>(insert 1 or 2, absence of entry means Hazard 2 applies)</i>	\$Included in Composite Rate
			Elevators	
	\$ -----,000 each occurrence subject to \$100 deductible as set forth in Limits of Liability provision	H—Property Damage Liability	Garage operations including Automobile Hazard _____ <i>(insert 1 or 2, absence of entry means Hazard 2 applies)</i>	\$
			Elevators	
Expenses for Medical Services	\$ ----- each person	Premium Rate % of Coverage G Premium	I—Automobile Medical Payments	\$
			I & J—Automobile & Premises Medical Payments	\$
Garagekeepers' Legal Liability	Specific limit as stated in Item 3 subject to: \$25 vandalism deductible—Coverage K-3 \$ 250.00 deductible—Coverage K-4—Limit of liability includes \$5000 limit of loss to property other than automobiles	K-1—Fire and Explosion K-2—Theft of entire automobile K-3—Riot and Vandalism K-4—Collision or Upsèt		\$
				\$
				\$
				\$
Form numbers of endorsements attached at issue				\$
Total Advance Premium				\$ Included

Item 2. (a) All automobiles owned by the named insured are used principally in garage operations of the named insured, except automobiles (1) assigned to the named insured, a partner therein or a member thereof, or an executive officer thereof, or, if a resident of the same household, the spouse of any of them or (2) furnished to any person or organization named in paragraph (b) below.

(b) Automobiles owned by the named insured are furnished to the following persons or organizations for their regular use for other business purposes or for non-business purposes (do not list the named insured, any partner, member, executive officer or, if a resident of the same household, the spouse of any of them, unless more than one automobile is furnished concurrently to such person and then show only the number of automobiles so furnished in excess of one):

NAME—NUMBER OF SUCH AUTOMOBILES
NAME—NUMBER OF SUCH AUTOMOBILES
NAME—NUMBER OF SUCH AUTOMOBILES
NAME—NUMBER OF SUCH AUTOMOBILES

Item 3. The following are the addresses of all premises where the named insured conducts garage operations. (If more than two, see Schedule attached.)

Garage Liability								
Loc. No.	Address		Premium Basis		Rates Per \$100 of Remuneration		Advance Premiums	
	(Show main sales location as Location No. 1)		Class	Remuneration	Coverage G	Coverage H	Coverage G	Coverage H
1	As Per Schedule Hazard 1		A			Included	\$	\$
			B					
			C					
			Total					
		Furnished Automobile		†	†	†		
XX	Elevators	Total No. at Premises	No. Insured		Per Elevator		\$	\$
2			A				\$	\$
			B					
			C					
			Total					
		Furnished Automobile		†	†	†	\$	\$
XX	Elevators	Total No. at Premises	No. Insured		Per Elevator		\$	\$
Loc. No.	Garagekeepers' Legal Liability				Minimum Premiums			
	Limits of Liability		Maximum No. of Customers' Automobiles Stored		Coverage G	Coverage H	Coverage I	Coverage I & J
1	\$,000			\$	\$	\$	\$
2	\$,000			†Per Automobile			

When used as a premium basis: Attachment #21

"remuneration" means (a) the entire remuneration earned during the policy period by each Class A employee and each Class C employee of the named insured, subject to an average weekly maximum of \$100, and (b) the remuneration of each Class B person at a fixed amount of \$2,000 per annum

"Class A" means all clerical office employees

"Class B" means all proprietors and officers active in the business, and inactive proprietors or officers (other than an inactive proprietor or officer who is a spouse of an active proprietor or officer) who customarily drive an automobile owned by the named insured; and all salesmen, general managers, service managers and chauffeurs

"Class C" means all other employees.

I. GARAGE LIABILITY
COVERAGE G—BODILY INJURY LIABILITY
COVERAGE H—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

- G. bodily injury or
H. property damage

to which this insurance applies, caused by an occurrence and arising out of garage operations, including only the automobile hazard for which insurance is afforded as indicated in the schedule, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply, under the Garage Liability Coverages:

- (a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- (b) to bodily injury or property damage arising out of the ownership, maintenance or use of an elevator at the premises unless insurance for elevators is indicated in the schedule;
- (c) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (d) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to:
- (1) any such injury arising out of and in the course of domestic employment by the insured unless benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law, or
- (2) liability assumed by the insured under an incidental contract;
- (e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any
- (1) haulaway, tank truck or tank trailer (or any vehicle used therewith) owned, hired or held for sale by the named insured and not being delivered, demonstrated or tested,
- (2) automobile
- (i) while being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest, or
- (ii) while rented to others by the named insured unless to a salesman for use principally in the business of the named insured, or
- (iii) while being used by the insured as a public or livery conveyance or for carrying property for a charge;
- (3) watercraft, if the bodily injury or property damage occurs away from the premises; but this exclusion (e) (3) does not apply to bodily injury or property damage included within the products hazard or the completed operations hazard or resulting from operations performed for the named insured by independent contractors or to liability assumed by the insured under an incidental contract;
- (4) aircraft;
- (f) to bodily injury or property damage arising out of and occurring in the course of structural alterations, new construction or demolition operations performed for the named insured by independent contractors, or acts or omissions of the named insured in connection with his general supervision of any such operations; but this exclusion does not apply to operations of which the company has written notice within 30 days after the commencement thereof;
- (g) to property damage to
- (1) property owned by, rented to or held for sale by the insured, or

- (2) property in the care, custody or control of or being transported by the insured or property as to which the insured is for any purpose exercising physical control;

but part (2) of this exclusion does not apply to property damage arising out of the ownership, maintenance or use at the premises of any automobile servicing hoist designed to raise the entire automobile, or to such insurance as is afforded for the use of elevators at the premises;

- (h) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- (i) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any insured; but this exclusion does not apply to bodily injury or property damage resulting from the active malfunctioning of such products or work;
- (j) to property damage to any of the named insured's products if such property damage results from a condition existing in such product or any part thereof at the time possession is relinquished to the purchaser thereof;
- (k) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (m) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to
- (1) liability assumed by the insured under an incidental contract, or
- (2) expenses for first aid under the Supplementary Payments provision;
- (n) to bodily injury or property damage for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage
- (1) in violation of any statute, ordinance or regulation,
- (2) to a minor,
- (3) to a person under the influence of alcohol, or
- (4) which causes or contributes to the intoxication of any person.

II. EXPENSES FOR MEDICAL SERVICES
COVERAGE I—AUTOMOBILE MEDICAL PAYMENTS
COVERAGE J—PREMISES MEDICAL PAYMENTS

The company will pay all reasonable medical expense incurred within one year from the date of accident:

- I. to or for each person who sustains bodily injury, caused by accident, while occupying any automobile which is being used by a person for whom bodily injury liability insurance is afforded above with respect to such use;
- J. to or for each person who sustains bodily injury, caused by accident, and arising out of the ownership, maintenance or use of the premises for the purposes of a garage, and all operations necessary or incidental thereto.

Exclusions

This insurance does not apply:

- under the Automobile Medical Payments Coverage,
- (a) to bodily injury sustained by any employee of an insured under the bodily injury liability insurance arising out of and in the course of his employment by such insured;
- under the Premises Medical Payments Coverage,
- (b) to bodily injury sustained by

- (b) the **named insured**, or any partner therein or member thereof, or any employee of the **named insured** arising out of and in the course of his employment by the **named insured**;
- (4) any person while engaged in maintenance, alteration, demolition or new construction operations for the **named insured** or for any lessor of the premises;
- (c) to **bodily injury** arising out of
- (1) **elevators** at the premises unless the **named insured** does not operate, maintain or control said **elevators**;
- (2) structural alterations, new construction or demolition operations for the **named insured** by independent contractors or their subcontractors, or omissions or supervisory acts of the **insured** in connection therewith;
- (3) the selling, serving or giving of any alcoholic beverage
- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person; but this exclusion (c) (3) applies only if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or is an owner or lessor of premises used for such purposes;
- (d) to any **medical expense** for services by the **named insured**, any employee thereof, or any person or organization under contract to the **named insured** to provide such services;

under the Automobile and Premises Medical Payments Coverages,

- (e) to **bodily injury** sustained by an employee of any **garage**, if the accident arises out of the operation thereof and if benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (f) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.

III. GARAGEKEEPERS' LEGAL LIABILITY
COVERAGE K-1—FIRE AND EXPLOSION
COVERAGE K-2—THEFT of the entire automobile
COVERAGE K-3—RIOT, CIVIL COMMOTION, MALICIOUS MISCHIEF AND VANDALISM
COVERAGE K-4—COLLISION OR UPSET

The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as **damages** because of:

- K-1. loss to an **automobile** caused by fire or explosion other than explosion of tires;
- K-2. loss to an **automobile** caused by theft of the entire **automobile**;
- K-3. loss to an **automobile** caused by riot, civil commotion, malicious mischief or vandalism; provided, with respect to each **automobile** \$25 shall be deducted from each loss caused by malicious mischief or vandalism;
- K-4. loss to an **automobile** or other property of a kind customarily left in charge of a **garage** caused by collision of the **automobile** or such property with another object or by upset thereof, but the deductible amount stated in the schedule as applicable hereto shall be deducted from the total amount of all sums which the **insured** shall become legally obligated to pay as **damages** because of each loss, and the limit of the company's liability shall be the difference between such deductible amount and the limit of liability stated in the schedule;

occurring while such **automobile** or other property is in the custody of the **insured** for safekeeping, storage, service or repair

- (1) at a location stated in this policy or while temporarily removed therefrom in the ordinary course of the **insured's** business, or
- (2) away from the premises if the **insured** is attending such **automobile** or property; and the company shall have the right and duty to defend any suit against the **insured** seeking **damages** on account of such loss, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

The Supplementary Payments provisions of the policy are applicable to the insurance afforded for Garagekeepers' Legal Liability, except the provisions with respect to the cost of bail bonds and expenses for first aid.

Exclusions

This insurance does not apply, under the Garagekeepers' Legal Liability Coverages:

- (a) to liability of the **insured** under any agreement to be responsible for loss;
- (b) to an **automobile** or other property
- (1) owned by or rented to
- (i) the **named insured** or a partner therein or a member thereof, or the spouse of any one of them if a resident of the same household,
- (ii) an employee of the **named insured** or his spouse if a resident of the same household, unless the **automobile** or other property is in the custody of the **named insured** under an agreement for which a specific pecuniary charge has been made, or
- (2) in the custody of the **named insured** for demonstration or sale;
- (c) to loss by theft due to any fraudulent, dishonest or criminal act by the **named insured**, a partner therein, a member thereof or employee, trustee or authorized representative thereof, whether working or otherwise and whether acting alone or in collusion with others;
- (4) to loss arising out of the use of any **elevator**, or any **automobile** servicing hoist designed to raise an entire **automobile**;
- (e) to defective parts, accessories or materials furnished or to faulty work performed on an **automobile**, out of which loss arises;
- (f) to an **automobile** or other property while the **automobile** is being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest;
- (g) to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (h) to loss due to radioactive contamination;
- (i) with respect to Coverages K-1 and K-3, to **damages** for loss of use of an **automobile**.

IV. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

Under the Garage Bodily Injury and Property Damage Liability Coverages:

- (1) the **named insured**;
- (2) with respect to **garage operations** other than the **automobile hazard**;
- (a) any employee, director or stockholder of the **named insured** while acting within the scope of his duties as such,
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such,
- (c) any person or organization having a financial interest in the **garage operations** of the **named insured**;
- (3) with respect to the **automobile hazard**:
- (a) any person while using, with the permission of the **named insured**, any **automobile** to which the insurance applies under the **automobile hazard**, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to **bodily injury** or **property damage** arising out of the loading or unloading of an **automobile**, such person shall be an **insured** only if he is:
- (i) a borrower of the **automobile**, or
- (ii) a partner, member or employee of the **named insured** or of such borrower;
- (b) any other person or organization but only with respect to his or its liability because of acts or omissions of the **named insured** or an **insured** under (a) above
- None of the following is an **insured**:
- (i) any person while engaged in the business of his employer with respect to **bodily injury** to any fellow employee of such person injured in the course of his employment;
- (ii) any person or organization, other than the **named insured** or its directors, stockholders, partners, members or employees while acting within the scope of their duties as such, with respect to operations performed by independent contractors for the **named insured**;

- (b) possession of which has been transferred to another by the **named insured** pursuant to an agreement of sale;

- (iv) any partner, member or employee of the **named insured** or the spouse of such person, with respect to **property damage** to property owned by, rented to or held for sale by the **named insured**, or property in the care, custody or control of or transported by the **named insured**.

This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

Under the Garagekeepers' Legal Liability Coverages:

- (a) the **named insured**;
- (b) any employee, director or stockholder of the **named insured** while acting within the scope of his duties as such; and
- (c) if the **named insured** is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such.

V. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury**, **property damage** or loss, (3) claims made or suits brought on account of **bodily injury**, **property damage** or loss or (4) **automobiles** to which this policy applies, the company's liability is limited as follows:

Coverage G—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Coverage H—Subject to the following paragraph, the total liability of the company for all **damages** because of all **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of **property damage** liability stated in the schedule as applicable to "each **occurrence**".

With respect to **property damage** to any **automobile** arising out of work completed by or for the **named insured** upon such **automobile** or part thereof, \$100 shall be deducted from the total amount of all sums which the **insured** shall become legally obligated to pay as **damages** on account of **property damage** to such **automobile** as a result of any one **occurrence**, and the limit of the company's liability shall be the difference between such deductible amount and the limit of **Property Damage** Liability stated in the schedule. All of the terms of this policy apply irrespective of the application of the deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the **named insured** shall be adjusted at actual cost to him of labor and materials.

Coverages G and H—For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

Coverages I and J—The limit of liability for medical payments stated in the schedule as applicable to "each person" is the limit of the company's liability for all **medical expense** incurred by or on behalf of each person who sustains **bodily injury** as the result of any one accident.

Coverages K-1, K-2, K-3 and K-4—Subject to the application of any deductible, the limit of the company's liability for loss at each location shall be the limit of liability stated in the schedule as applicable thereto; if, however, at the time of loss there were at the location where the loss occurred **automobiles** of others in the custody of the **insured** in excess of the maximum number of **automobiles** indicated in the schedule for such location, the company shall not be liable for a greater proportion of the amount for which it otherwise would be liable than the maximum number of such **automobiles** stated for such location bears to the number of **automobiles** at such location at the time the loss occurred.

Subject to the application of the deductible stated in the schedule, the limit of liability applicable to Coverage K-4 for loss to property of a kind customarily left in charge of a **garage**, other than **automobiles**, is \$5,000, which sum is included in the applicable limit of liability for loss at the location.

All of the terms of this policy apply irrespective of the application of any deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the **named insured** shall be adjusted at actual cost to him of labor and materials.

VI. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury**, **property damage** or loss which occurs during the policy period within the territory described in paragraph (1) or (2) of the definition of policy territory.

VII. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**automobile**" means a land motor vehicle or **trailer**, other land equipment capable of moving under its own power, equipment for use therewith and animal drawn equipment. This definition replaces the definition of **automobile** set forth in the Definitions Section;

"**automobile hazard**" means that one of the following hazards for which insurance is afforded as indicated in the schedule:

Automobile Hazard 1.

- (1) The ownership, maintenance or use (including loading and unloading) of any **automobile** for the purpose of **garage operations**, and (2) the occasional use for other business purposes and the use for non-business purposes of any **automobile** owned by or in charge of the **named insured** and used principally in **garage operations**, and (3) the ownership, maintenance or use of any **automobile** owned by the **named insured** while furnished for the use of any person.

Automobile Hazard 2.

The use in connection with **garage operations** of any **automobile** which is neither owned nor hired by the **named insured**, a partner therein or a member thereof, or a member of the same household as any such person.

"**garage**" means an **automobile** sales agency, repair shop, service station, storage garage or public parking place;

"**garage operations**" means the ownership, maintenance or use of the premises for the purposes of a **garage** and all operations necessary or incidental thereto;

"**loss**" means direct and accidental loss of or damage to property;

"**medical expense**" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"**occupying**" means in or upon or entering into or alighting from;

"**premises**" means premises where the **named insured** conducts **garage operations**, and includes the ways immediately adjoining but does not include any portion of such premises upon which business operations are conducted by any other person or organization;

"**trailer**" includes semi-trailer.

VIII. ADDITIONAL CONDITIONS

A. Limitation of Coverage Under Any Other Liability Insurance Part

The insurance afforded under any other liability insurance made a part of this policy does not apply to **garage operations**, including the **automobile hazard**, for which insurance is afforded herein.

B. Insured's Duties in the Event of Loss

The **insured's** duties in event of loss under the Garagekeepers' Legal Liability Coverage shall be as provided in the Condition with respect to an **occurrence**, claim or suit. In the event of theft or larceny, the **insured** shall also promptly notify the police.

C. Medical Reports; Proof and Payment of Claim—Coverages I and J

As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12:01 A. M., standard time)

issued to Northern Commercial Company

by The Home Insurance Company

Garage Schedule - Hazard 1

Seattle, Washington

Mt. Vernon, Washington

Chehalis, Washington

Juneau, Alaska

Anchorage, Alaska

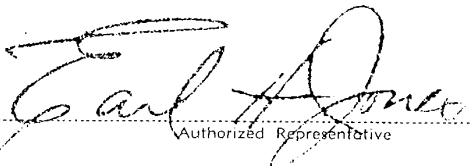
Fairbanks, Alaska

Whitehorse, Yukon Territory

All other terms and conditions of this policy remain unchanged.

Attachment #22

UNIFORM PRINTING
PRINTED IN U.S.A.
CHICAGO-HOUSTON
AND SUPPLY DIVISION


Authorized Representative

COVERAGE PART

GARAGE INSURANCE



For attachment to Policy No. GA4 23 39 80, to complete said policy.

SCHEDULE

Item 1. The insurance afforded is only with respect to such of the following coverages and hazards thereunder as are indicated by specific premium charge or charges. The limit of the company's liability against each such coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability		Coverages	Hazards	Advance Premiums
Garage Liability	\$ CSL 250 ,000 each person See Single Limit		G—Bodily Injury Liability	Included in Composite
	\$ ----- ,000 each occurrence		Garage operations including Automobile Hazard 2 (insert 1 or 2, absence of entry means Hazard 2 applies)	
	\$,000 each occurrence subject to \$100 deductible as set forth in Limits of Liability provision		Elevators	\$ Rate
			H—Property Damage Liability	Garage operations including Automobile Hazard (insert 1 or 2, absence of entry means Hazard 2 applies)
		Elevators	\$	
Expenses for Medical Services	\$ each person	Premium Rate % of Coverage G Premium	I—Automobile Medical Payments	\$
			I & J—Automobile & Premises Medical Payments	\$
Garagekeepers' Legal Liability	Specific limit as stated in Item 3 subject to:		K-1—Fire and Explosion	\$
	\$25 vandalism deductible—Coverage K-3		K-2—Theft of entire automobile	\$
	\$ 250.00 deductible—Coverage K-4—Limit of liability includes \$5000 limit of loss to property other than automobiles		K-3—Riot and Vandalism	\$
			K-4—Collision or Upset	\$
Form numbers of endorsements attached at issue				\$
Total Advance Premium				\$ Included

Item 2. (a) All automobiles owned by the named insured are used principally in garage operations of the named insured, except automobiles (1) assigned to the named insured, a partner therein or a member thereof, or an executive officer thereof, or, if a resident of the same household, the spouse of any of them or (2) furnished to any person or organization named in paragraph (b) below.

(b) Automobiles owned by the named insured are furnished to the following persons or organizations for their regular use for other business purposes or for non-business purposes (do not list the named insured, any partner, member, executive officer or, if a resident of the same household, the spouse of any of them, unless more than one automobile is furnished concurrently to such person and then show only the number of automobiles so furnished in excess of one):

NAME—NUMBER OF SUCH AUTOMOBILES	NAME—NUMBER OF SUCH AUTOMOBILES
NAME—NUMBER OF SUCH AUTOMOBILES	NAME—NUMBER OF SUCH AUTOMOBILES

Item 3. The following are the addresses of all premises where the named insured conducts garage operations. (If more than two, see Schedule attached.)

Garage Liability						
Loc. No.	Address	Premium Basis	Rates		Advance Premiums	
	(Show main sales location as Location No. 1)	Class Remuneration	Coverage G	Coverage H	Coverage G	Coverage H
1	As Per Schedule Hazard 2	A	Included in Composite Rate		\$	\$
		B				
		C				
	Total					
Furnished Automobile		†	†	†		
XX	Elevators	Total No. at Premises	No. Insured	Per Elevator		
2		A			\$	\$
		B			\$	\$
		C			\$	\$
	Total				\$	\$
Furnished Automobile		†	†	†	\$	\$
XX	Elevators	Total No. at Premises	No. Insured	Per Elevator		
Loc. No.	Garagekeepers' Legal Liability		Minimum Premiums			
	Limits of Liability	Maximum No. of Customers' Automobiles Stored	Coverage G	Coverage H	Coverage I	Coverage I & J
1	\$ ----- ,000		\$	\$	\$	\$
2	\$ ----- ,000		†Per Automobile			

When used as a premium basis: Attachment #23

"remuneration" means (a) the entire remuneration earned during the policy period by each Class A employee and each Class C employee of the named insured, subject to an average weekly maximum of \$100, and (b) the remuneration of each Class B person at a fixed amount of \$2,000 per annum

"Class A" means all clerical office employees

"Class B" means all proprietors and officers active in the business, and inactive proprietors or officers (other than an inactive proprietor or officer who is a spouse of an active proprietor or officer) who customarily drive an automobile owned by the named insured; and all salesmen, general managers, service managers and chauffeurs

"Class C" means all other employees.

- I. GARAGE LIABILITY
COVERAGE G—BODILY INJURY LIABILITY
COVERAGE H—PROPERTY DAMAGE LIABILITY
- The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of
- G. bodily injury or
H. property damage
- to which this insurance applies, caused by an occurrence and arising out of garage operations, including only the automobile hazard for which insurance is afforded as indicated in the schedule, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.
- Exclusions
- This insurance does not apply, under the Garage Liability Coverages:
- (a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- (b) to bodily injury or property damage arising out of the ownership, maintenance or use of an elevator at the premises unless insurance for elevators is indicated in the schedule;
- (c) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (d) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to:
- (1) any such injury arising out of and in the course of domestic employment by the insured unless benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law, or
- (2) liability assumed by the insured under an incidental contract;
- (e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any
- (1) haulaway, tank truck or tank trailer (or any vehicle used therewith) owned, hired or held for sale by the named insured and not being delivered, demonstrated or tested,
- (2) automobile
- (i) while being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest, or
- (ii) while rented to others by the named insured unless to a salesman for use principally in the business of the named insured, or
- (iii) while being used by the insured as a public or livery conveyance or for carrying property for a charge;
- (3) watercraft, if the bodily injury or property damage occurs away from the premises; but this exclusion (e) (3) does not apply to bodily injury or property damage included within the products hazard or the completed operations hazard or resulting from operations performed for the named insured by independent contractors or to liability assumed by the insured under an incidental contract;
- (4) aircraft;
- (f) to bodily injury or property damage arising out of and occurring in the course of structural alterations, new construction or demolition operations performed
- (2) property in the care, custody or control of or being transported by the insured or property as to which the insured is for any purpose exercising physical control;
- but part (2) of this exclusion does not apply to property damage arising out of the ownership, maintenance or use at the premises of any automobile servicing hoist designed to raise the entire automobile, or to such insurance as is afforded for the use of elevators at the premises;
- (h) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- (i) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any insured; but this exclusion does not apply to bodily injury or property damage resulting from the active malfunctioning of such products or work;
- (j) to property damage to any of the named insured's products if such property damage results from a condition existing in such product or any part thereof at the time possession is relinquished to the purchaser thereof;
- (k) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (m) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to
- (1) liability assumed by the insured under an incidental contract, or
- (2) expenses for first aid under the Supplementary Payments provision;
- (n) to bodily injury or property damage for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage
- (1) in violation of any statute, ordinance or regulation,
- (2) to a minor,
- (3) to a person under the influence of alcohol, or
- (4) which causes or contributes to the intoxication of any person.
- II. EXPENSES FOR MEDICAL SERVICES
COVERAGE I—AUTOMOBILE MEDICAL PAYMENTS
COVERAGE J—PREMISES MEDICAL PAYMENTS
- The company will pay all reasonable medical expense incurred within one year from the date of accident:
- I. to or for each person who sustains bodily injury, caused by accident, while occupying any automobile which is being used by a person for whom bodily injury liability insurance is afforded above with respect to such use;
- J. to or for each person who sustains bodily injury, caused by accident, and arising out of the ownership, maintenance or use of the premises for the purposes of a garage, and all operations necessary or incidental thereto.
- Exclusions
- This insurance does not apply:
- Under the Automobile Medical Payments Coverage:

- (2) any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;
- (3) the **named insured**, or any partner therein or member thereof, or any employee of the **named insured** arising out of and in the course of his employment by the **named insured**;
- (4) any person while engaged in maintenance, alteration, demolition or new construction operations for the **named insured** or for any lessor of the premises;
- (c) to **bodily injury** arising out of
- (1) **elevators** at the premises unless the **named insured** does not operate, maintain or control said **elevators**;
- (2) structural alterations, new construction or demolition operations for the **named insured** by independent contractors or their subcontractors, or omissions or supervisory acts of the **insured** in connection therewith;
- (3) the selling, serving or giving of any alcoholic beverage
- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person; but this exclusion (c) (3) applies only if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or is an owner or lessor of premises used for such purposes;
- (d) to any **medical expense** for services by the **named insured**, any employee thereof, or any person or organization under contract to the **named insured** to provide such services;

under the Automobile and Premises Medical Payments Coverages,

- (e) to **bodily injury** sustained by an employee of any **garage**, if the accident arises out of the operation thereof and if benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (f) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.

III. GARAGEKEEPERS' LEGAL LIABILITY

COVERAGE K-1—FIRE AND EXPLOSION
COVERAGE K-2—THEFT of the entire **automobile**
COVERAGE K-3—RIOT, CIVIL COMMOTION, MALICIOUS MISCHIEF AND VANDALISM
COVERAGE K-4—COLLISION OR UPSET

The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as **damages** because of:

- K-1. **loss** to an **automobile** caused by fire or explosion other than explosion of tires;
- K-2. **loss** to an **automobile** caused by theft of the entire **automobile**;
- K-3. **loss** to an **automobile** caused by riot, civil commotion, malicious mischief or vandalism; provided, with respect to each **automobile** \$25 shall be deducted from each **loss** caused by malicious mischief or vandalism;
- K-4. **loss** to an **automobile** or other property of a kind customarily left in charge of a **garage** caused by collision of the **automobile** or such property with another object or by upset thereof, but the deductible amount stated in the schedule as applicable hereto shall be deducted from the total amount of all sums which the **insured** shall become legally obligated to pay as **damages** because of each loss, and the limit of the company's liability shall be the difference between such deductible amount and the limit of liability stated in the schedule;

occurring while such **automobile** or other property is in the custody of the **insured** for safekeeping, storage, service or repair

- (1) at a location stated in this policy or while temporarily removed therefrom in the ordinary course of the **insured's** business, or
- (2) away from the premises if the **insured** is attending such **automobile** or property; and the company shall have the right and duty to defend any suit against the **insured** seeking **damages** on account of such **loss**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

The Supplementary Payments provisions of the policy are applicable to the insurance afforded for Garagekeepers' Legal Liability, except the provisions with respect to the cost of bail bonds and expenses for first aid.

Exclusions

This insurance does not apply, under the Garagekeepers' Legal Liability Coverages:

- (a) to liability of the **insured** under any agreement to be responsible for loss;
- (b) to an **automobile** or other property
- (1) owned by or rented to
- (i) the **named insured** or a partner therein or a member thereof, or the spouse of any one of them if a resident of the same household,
- (ii) an employee of the **named insured** or his spouse if a resident of the same household, unless the **automobile** or other property is in the custody of the **named insured** under an agreement for which a specific pecuniary charge has been made, or
- (2) in the custody of the **named insured** for demonstration or sale;
- (c) to **loss** by theft due to any fraudulent, dishonest or criminal act by the **named insured**, a partner therein, a member thereof or employee, trustee or authorized representative thereof, whether working or otherwise and whether acting alone or in collusion with others;
- (d) to **loss** arising out of the use of any **elevator**, or any **automobile** servicing hoist designed to raise an entire **automobile**;
- (e) to defective parts, accessories or materials furnished or to faulty work performed on an **automobile**, out of which **loss** arises;
- (f) to an **automobile** or other property while the **automobile** is being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest;
- (g) to **loss** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (h) to **loss** due to radioactive contamination;
- (i) with respect to Coverages K-1 and K-3, to **damages** for **loss** of use of an **automobile**.

IV. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

Under the Garage Bodily Injury and Property Damage Liability Coverages:

- (1) the **named insured**;
- (2) with respect to **garage operations** other than the **automobile hazard**;
- (a) any employee, director or stockholder of the **named insured** while acting within the scope of his duties as such,
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such,
- (c) any person or organization having a financial interest in the **garage operations** of the **named insured**;
- (3) with respect to the **automobile hazard**:
- (a) any person while using, with the permission of the **named insured**, any **automobile** to which the insurance applies under the **automobile hazard**, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to **bodily injury** or **property damage** arising out of the loading or unloading of an **automobile**, such person shall be an **insured** only if he is:
- (i) a borrower of the **automobile**, or
- (ii) a partner, member or employee of the **named insured** or of such borrower;
- (b) any other person or organization but only with respect to his or its liability because of acts or omissions of the **named insured** or an **insured** under (a) above
- None of the following is an **insured**:
- (i) any person while engaged in the business of his employer with respect to **bodily injury** to any fellow employee of such person injured in the course of his employment;
- (ii) any person or organization, other than the **named insured** or its directors, stockholders, partners, members or employees while acting within the scope of their duties as such, with respect to operations performed by independent contractors for the **named insured**;

var owned by such person or organization or by a member thereof, and the **named insured** of the same household, or

- (b) possession of which has been transferred to another by the **named insured** pursuant to an agreement of sale;

- (iv) any partner, member or employee of the **named insured** or the spouse of such person, with respect to **property damage** to property owned by, rented to or held for sale by the **named insured**, or property in the care, custody or control of or transported by the **named insured**.

This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

Under the Garagekeepers' Legal Liability Coverages:

- (a) the **named insured**;
- (b) any employee, director or stockholder of the **named insured** while acting within the scope of his duties as such; and
- (c) if the **named insured** is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such.

V. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury**, **property damage** or loss, (3) claims made or suits brought on account of **bodily injury**, **property damage** or loss or (4) **automobiles** to which this policy applies, the company's liability is limited as follows:

Coverage G—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Coverage H—Subject to the following paragraph, the total liability of the company for all **damages** because of all **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of **property damage** liability stated in the schedule as applicable to "each **occurrence**".

With respect to **property damage** to any **automobile** arising out of work completed by or for the **named insured** upon such **automobile** or part thereof, \$100 shall be deducted from the total amount of all sums which the **insured** shall become legally obligated to pay as **damages** on account of **property damage** to such **automobile** as a result of any one **occurrence**, and the limit of the company's liability shall be the difference between such deductible amount and the limit of **Property Damage** Liability stated in the schedule. All of the terms of this policy apply irrespective of the application of the deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the **named insured** shall be adjusted at actual cost to him of labor and materials.

Coverages G and H—For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

Coverages I and J—The limit of liability for medical payments stated in the schedule as applicable to "each person" is the limit of the company's liability for all **medical expense** incurred by or on behalf of each person who sustains **bodily injury** as the result of any one accident.

Coverages K-1, K-2, K-3 and K-4—Subject to the application of any deductible, the limit of the company's liability for loss at each location shall be the limit of liability stated in the schedule as applicable thereto; if, however, at the time of **loss** there were at the location where the **loss** occurred **automobiles** of others in the custody of the **insured** in excess of the maximum number of **automobiles** indicated in the schedule for such location, the company shall not be liable for a greater proportion of the amount for which it otherwise would be liable than the maximum number of such **automobiles** stated for such location bears to the number of **automobiles** at such location at the time the **loss** occurred.

Subject to the application of the deductible stated in the schedule, the limit of liability applicable to Coverage K-4 for loss to property of a kind customarily left in charge of a **garage**, other than **automobiles**, is \$5,000, which sum is included in the applicable limit of liability for loss at the location.

All of the terms of this policy apply irrespective of the application of any deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the **named insured** shall be adjusted at actual cost to him of labor and materials.

VI. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury**, **property damage** or loss which occurs during the policy period within the territory described in paragraph (1) or (2) of the definition of policy territory.

VII. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**automobile**" means a land motor vehicle or trailer, other land equipment capable of moving under its own power, equipment for use therewith and animal drawn equipment. This definition replaces the definition of **automobile** set forth in the Definitions Section;

"**automobile hazard**" means that one of the following hazards for which insurance is afforded as indicated in the schedule:

Automobile Hazard 1.

(1) The ownership, maintenance or use (including loading and unloading) of any **automobile** for the purpose of **garage operations**, and (2) the occasional use for other business purposes and the use for non-business purposes of any **automobile** owned by or in charge of the **named insured** and used principally in **garage operations**, and (3) the ownership, maintenance or use of any **automobile** owned by the **named insured** while furnished for the use of any person.

Automobile Hazard 2.

The use in connection with **garage operations** of any **automobile** which is neither owned nor hired by the **named insured**, a partner therein or a member thereof, or a member of the same household as any such person.

"**garage**" means an **automobile** sales agency, repair shop, service station, storage garage or public parking place;

"**garage operations**" means the ownership, maintenance or use of the premises for the purposes of a **garage** and all operations necessary or incidental thereto;

"**loss**" means direct and accidental loss of or damage to property;

"**medical expense**" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"**occupying**" means in or upon or entering into or alighting from;

"**premises**" means premises where the **named insured** conducts **garage operations**, and includes the ways immediately adjoining but does not include any portion of such **premises** upon which business operations are conducted by any other person or organization;

"**trailer**" includes semi-trailer.

VIII. ADDITIONAL CONDITIONS

A. Limitation of Coverage Under Any Other Liability Insurance Part

The insurance afforded under any other liability insurance made a part of this policy does not apply to **garage operations**, including the **automobile hazard**, for which insurance is afforded herein.

B. Insured's Duties in the Event of Loss

The **insured's** duties in event of loss under the Garagekeepers' Legal Liability Coverage shall be as provided in the Condition with respect to an **occurrence**, claim or suit. In the event of theft or larceny, the **insured** shall also promptly notify the police.

C. Medical Reports; Proof and Payment of Claim—Coverages I and J

As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12.01 A. M., standard time)

issued to Northern Commercial Company

by The Home Insurance Company

Garage Schedule - Hazard 2

Anchorage Tire Center, Anchorage, Alaska

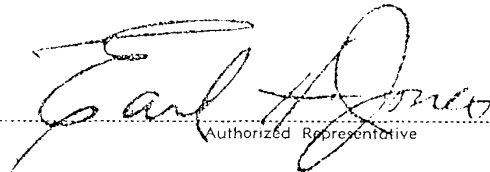
Anchorage Auto Center, Anchorage, Alaska

Fairbanks Tire Center, Fairbanks, Alaska

Kenai Tire Center, Kenai, Alaska

All other terms and conditions of this policy remain unchanged.
Attachment #24

UNIFORM PRINTING
PRINTED IN U.S.A.
CHICAGO-BROOKLYN
AND SUPPLY DIVISION


Authorized Representative



SCHEDULE

Item 1. The insurance afforded is only with respect to such of the following coverages and hazards thereunder as are indicated by specific premium charge or charges. The limit of the company's liability against each such coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability		Coverages	Hazards	Advance Premiums	
Garage Liability	\$,000 each person \$,000 each occurrence		G—Bodily Injury Liability	Garage operations including Automobile Hazard _____ <i>(insert 1 or 2, absence of entry means Hazard 2 applies)</i>	\$
				Elevators	\$
	\$,000 each occurrence subject to \$100 deductible as set forth in Limits of Liability provision		H—Property Damage Liability	Garage operations including Automobile Hazard _____ <i>(insert 1 or 2, absence of entry means Hazard 2 applies)</i>	\$
				Elevators	\$
Expenses for Medical Services	\$ each person	Premium Rate % of Coverage G Premium	I—Automobile Medical Payments		\$
			I & J—Automobile & Premises Medical Payments		\$
Garagekeepers' Legal Liability	Specific limit as stated in Item 3 subject to:		K-1—Fire and Explosion		\$ 1,166.00
	\$25 vandalism deductible—Coverage K-3		K-2—Theft of entire automobile		\$ 706.00
	\$ 250.00 deductible—Coverage K-4—Limit of liability includes \$5000 limit of loss to property other than automobiles		K-3—Riot and Vandalism		\$ 591.00
			K-4—Collision or Upsèt		\$ 1,368.00
Form numbers of endorsements attached at issue			TOTAL ANNUAL		\$ 3,831.00
PRO RATA			Total Advance Premium		\$ 3,410.00

Item 2. (a) All automobiles owned by the named insured are used principally in garage operations of the named insured, except automobiles (1) assigned to the named insured, a partner therein or a member thereof, or an executive officer thereof, or, if a resident of the same household, the spouse of any of them or (2) furnished to any person or organization named in paragraph (b) below.

(b) Automobiles owned by the named insured are furnished to the following persons or organizations for their regular use for other business purposes or for non-business purposes (do not list the named insured, any partner, member, executive officer or, if a resident of the same household, the spouse of any of them, unless more than one automobile is furnished concurrently to such person and then show only the number of automobiles so furnished in excess of one):

NAME—NUMBER OF SUCH AUTOMOBILES	NAME—NUMBER OF SUCH AUTOMOBILES
NAME—NUMBER OF SUCH AUTOMOBILES	NAME—NUMBER OF SUCH AUTOMOBILES

Item 3. The following are the addresses of all premises where the named insured conducts garage operations. (If more than two, see Schedule attached.)

Garage Liability								
Loc. No.	Address		Premium Basis		Rates Per \$100 of Remuneration		Advance Premiums	
	(Show main sales location as Location No. 1)		Class	Remuneration	Coverage G	Coverage H	Coverage G	Coverage H
1			A				\$	\$
			B				\$	\$
			C				\$	\$
	Total							
	Furnished Automobile		†		†			
XX	Elevators	Total No. at Premises	No. Insured		Per Elevator		\$	\$
2			A				\$	\$
			B				\$	\$
			C				\$	\$
	Total						\$	\$
	Furnished Automobile		†		†		\$	\$
XX	Elevators	Total No. at Premises	No. Insured		Per Elevator		\$	\$
Loc. No.	Garagekeepers' Legal Liability				Minimum Premiums			
	Limits of Liability		Maximum No. of Customers' Automobiles Stored		Coverage G	Coverage H	Coverage I	Coverage I & J
1	\$ As Per ,000		Schedule		\$	\$	\$	\$
2	\$,000				†Per Automobile			

When used as a premium basis: Attachment #25
"remuneration" means (a) the entire remuneration earned during the policy period by each Class A employee and each Class C employee of the named insured, subject to an average weekly maximum of \$100, and (b) the remuneration of each Class B person at a fixed amount of \$2,000 per annum
"Class A" means all clerical office employees
"Class B" means all proprietors and officers active in the business, and inactive proprietors or officers (other than an inactive proprietor or officer who is a spouse of an active proprietor or officer) who customarily drive an automobile owned by the named insured; and all salesmen, general managers, service managers and chauffeurs
"Class C" means all other employees.

- I. GARAGE LIABILITY
COVERAGE G—BODILY INJURY LIABILITY
COVERAGE H—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

G. bodily injury or
H. property damage

to which this insurance applies, caused by an occurrence and arising out of garage operations, including only the automobile hazard for which insurance is afforded as indicated in the schedule, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply, under the Garage Liability Coverages:

(a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;

(b) to bodily injury or property damage arising out of the ownership, maintenance or use of an elevator at the premises unless insurance for elevators is indicated in the schedule;

(c) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(d) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to:

(1) any such injury arising out of and in the course of domestic employment by the insured unless benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law, or

(2) liability assumed by the insured under an incidental contract;

(e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any

(1) haulaway, tank truck or tank trailer (or any vehicle used therewith) owned, hired or held for sale by the named insured and not being delivered, demonstrated or tested,

(2) automobile

(i) while being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest, or

(ii) while rented to others by the named insured unless to a salesman for use principally in the business of the named insured, or

(iii) while being used by the insured as a public or livery conveyance or for carrying property for a charge;

(3) watercraft, if the bodily injury or property damage occurs away from the premises; but this exclusion (e) (3) does not apply to bodily injury or property damage included within the products hazard or the completed operations hazard or resulting from operations performed by the named insured by independent contractors or to liability assumed by the insured under an incidental contract;

(4) aircraft;

(f) to bodily injury or property damage arising out of and occurring in the course of structural alterations, new construction or demolition operations performed for the named insured by independent contractors, or acts or omissions of the named insured in connection with his general supervision of any such operation;
- (2) property in the care, custody or control of or being transported by the insured or property as to which the insured is for any purpose exercising physical control;

but part (2) of this exclusion does not apply to property damage arising out of the ownership, maintenance or use at the premises of any automobile servicing hoist designed to raise the entire automobile, or to such insurance as is afforded for the use of elevators at the premises;

(h) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;

(i) to bodily injury or property damage resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any insured; but this exclusion does not apply to bodily injury or property damage resulting from the active malfunctioning of such products or work;

(j) to property damage to any of the named insured's products if such property damage results from a condition existing in such product or any part thereof at the time possession is relinquished to the purchaser thereof;

(k) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(l) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(m) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to

(1) liability assumed by the insured under an incidental contract, or

(2) expenses for first aid under the Supplementary Payments provision;

(n) to bodily injury or property damage for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage

(1) in violation of any statute, ordinance or regulation,

(2) to a minor,

(3) to a person under the influence of alcohol, or

(4) which causes or contributes to the intoxication of any person.

II. EXPENSES FOR MEDICAL SERVICES
COVERAGE I—AUTOMOBILE MEDICAL PAYMENTS
COVERAGE J—PREMISES MEDICAL PAYMENTS

The company will pay all reasonable medical expense incurred within one year from the date of accident:

I. to or for each person who sustains bodily injury, caused by accident, while occupying any automobile which is being used by a person for whom bodily injury liability insurance is afforded above with respect to such use;

J. to or for each person who sustains bodily injury, caused by accident, and arising out of the ownership, maintenance or use of the premises for the purposes of a garage, and all operations necessary or incidental thereto.

Exclusions

This insurance does not apply:

under the Automobile Medical Payments Coverage,

(a) to bodily injury sustained by any employee of an insured under the bodily

- from the premises;
- (2) any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;
- (3) the **named insured**, or any partner therein or member thereof, or any employee of the **named insured** arising out of and in the course of his employment by the **named insured**;
- (4) any person while engaged in maintenance, alteration, demolition or new construction operations for the **named insured** or for any lessor of the premises;
- (c) to **bodily injury** arising out of
- (1) **elevators** at the **premises** unless the **named insured** does not operate, maintain or control said **elevators**;
- (2) structural alterations, new construction or demolition operations for the **named insured** by independent contractors or their subcontractors, or omissions or supervisory acts of the **insured** in connection therewith;
- (3) the selling, serving or giving of any alcoholic beverage
- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person; but this exclusion (c) (3) applies only if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or is an owner or lessor of premises used for such purposes;
- (d) to any **medical expense** for services by the **named insured**, any employee thereof, or any person or organization under contract to the **named insured** to provide such services;

under the Automobile and Premises Medical Payments Coverages,

- (e) to **bodily injury** sustained by an employee of any **garage**, if the accident arises out of the operation thereof and if benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (f) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.

III. GARAGEKEEPERS' LEGAL LIABILITY

COVERAGE K-1—FIRE AND EXPLOSION
COVERAGE K-2—THEFT of the entire automobile
COVERAGE K-3—RIOT, CIVIL COMMOION, MALICIOUS MISCHIEF AND VANDALISM
COVERAGE K-4—COLLISION OR UPSET

The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as **damages** because of:

- K-1. **loss** to an **automobile** caused by fire or explosion other than explosion of tires;
- K-2. **loss** to an **automobile** caused by theft of the entire **automobile**;
- K-3. **loss** to an **automobile** caused by riot, civil commotion, malicious mischief or vandalism; provided, with respect to each **automobile** \$25 shall be deducted from each **loss** caused by malicious mischief or vandalism;
- K-4. **loss** to an **automobile** or other property of a kind customarily left in charge of a **garage** caused by collision of the **automobile** or such property with another object or by upset thereof, but the deductible amount stated in the schedule as applicable hereto shall be deducted from the total amount of all sums which the **insured** shall become legally obligated to pay as **damages** because of each loss, and the limit of the company's liability shall be the difference between such deductible amount and the limit of liability stated in the schedule;

occurring while such **automobile** or other property is in the custody of the **insured** for safekeeping, storage, service or repair

- (1) at a location stated in this policy or while temporarily removed therefrom in the ordinary course of the **insured's** business, or
- (2) away from the **premises** if the **insured** is attending such **automobile** or property; and the company shall have the right and duty to defend any suit against the **insured** seeking **damages** on account of such **loss**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

The Supplementary Payments provisions of the policy are applicable to the insurance afforded for Garagekeepers' Legal Liability, except the provisions with respect to the cost of bail bonds and expenses for first aid.

Exclusions

This insurance does not apply, under the Garagekeepers' Legal Liability Coverages:

- (a) to liability of the **insured** under any agreement to be responsible for loss;
- (b) to an **automobile** or other property
- (1) owned by or rented to
- (i) the **named insured** or a partner therein or a member thereof, or the spouse of any one of them if a resident of the same household,
- (ii) an employee of the **named insured** or his spouse if a resident of the same household, unless the **automobile** or other property is in the custody of the **named insured** under an agreement for which a specific pecuniary charge has been made, or
- (2) in the custody of the **named insured** for demonstration or sale;
- (c) to **loss** by theft due to any fraudulent, dishonest or criminal act by the **named insured**, a partner therein, a member thereof or employee, trustee or authorized representative thereof, whether working or otherwise and whether acting alone or in collusion with others;
- (d) to **loss** arising out of the use of any **elevator**, or any **automobile** servicing hoist designed to raise an entire **automobile**;
- (e) to defective parts, accessories or materials furnished or to faulty work performed on an **automobile**, out of which **loss** arises;
- (f) to an **automobile** or other property while the **automobile** is being operated in any prearranged or organized racing or speed contest or in practice or preparation for any such contest;
- (g) to **loss** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (h) to **loss** due to radioactive contamination;
- (i) with respect to Coverages K-1 and K-3, to **damages** for loss of use of an **automobile**.

IV. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

Under the Garage Bodily Injury and Property Damage Liability Coverages:

- (1) the **named insured**;
- (2) with respect to **garage operations** other than the **automobile hazard**;
- (a) any employee, director or stockholder of the **named insured** while acting within the scope of his duties as such,
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such,
- (c) any person or organization having a financial interest in the **garage operations** of the **named insured**;
- (3) with respect to the **automobile hazard**:
- (a) any person while using, with the permission of the **named insured**, any **automobile** to which the insurance applies under the **automobile hazard**, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to **bodily injury** or **property damage** arising out of the loading or unloading of an **automobile**, such person shall be an **insured** only if he is:
- (i) a borrower of the **automobile**, or
- (ii) a partner, member or employee of the **named insured** or of such borrower;
- (b) any other person or organization but only with respect to his or its liability because of acts or omissions of the **named insured** or an **insured** under (a) above

None of the following is an **insured**:

- (i) any person while engaged in the business of his employer with respect to **bodily injury** to any fellow employee of such person injured in the course of his employment;
- (ii) any person or organization, other than the **named insured** or its directors, stockholders, partners, members or employees while acting within the scope of their duties as such, with respect to operations performed by

any person or organization, other than the **named insured**, with respect to any **automobile**

- (a) owned by such person or organization or by a member (other than the **named insured**) of the same household, or
- (b) possession of which has been transferred to another by the **named insured** pursuant to an agreement of sale.
- (iv) any partner, member or employee of the **named insured** or the spouse of such person, with respect to **property damage** to property owned by, rented to or held for sale by the **named insured**, or property in the care, custody or control of or transported by the **named insured**.

This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

Under the Garagekeepers' Legal Liability Coverages:

- (a) the **named insured**;
- (b) any employee, director or stockholder of the **named insured** while acting within the scope of his duties as such; and
- (c) if the **named insured** is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such.

V. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury**, **property damage** or loss, (3) claims made or suits brought on account of **bodily injury**, **property damage** or loss or (4) **automobiles** to which this policy applies; the company's liability is limited as follows:

Coverage G—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Coverage H—Subject to the following paragraph, the total liability of the company for all **damages** because of all **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of **property damage** liability stated in the schedule as applicable to "each **occurrence**".

With respect to **property damage** to any **automobile** arising out of work completed by or for the **named insured** upon such **automobile** or part thereof, \$100 shall be deducted from the total amount of all sums which the **insured** shall become legally obligated to pay as **damages** on account of **property damage** to such **automobile** as a result of any one **occurrence**, and the limit of the company's liability shall be the difference between such deductible amount and the limit of **Property Damage** Liability stated in the schedule. All of the terms of this policy apply irrespective of the application of the deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the **named insured** shall be adjusted at actual cost to him of labor and materials.

Coverages G and H—For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

Coverages I and J—The limit of liability for medical payments stated in the schedule as applicable to "each person" is the limit of the company's liability for all **medical expense** incurred by or on behalf of each person who sustains **bodily injury** as the result of any one accident.

Coverages K-1, K-2, K-3 and K-4—Subject to the application of any deductible, the limit of the company's liability for loss at each location shall be the limit of liability stated in the schedule as applicable thereto; if, however, at the time of **loss** there were at the location where the **loss** occurred **automobiles** of others in the custody of the **insured** in excess of the maximum number of **automobiles** indicated in the schedule for such location, the company shall not be liable for a greater proportion of the amount for which it otherwise would be liable than the maximum number of such **automobiles** stated for such location bears to the number of **automobiles** at such location at the time the **loss** occurred.

Subject to the application of the deductible stated in the schedule, the limit of liability applicable to Coverage K-4 for loss to property of a kind customarily left in charge of a **garage**, other than **automobiles**, is \$5,000, which sum is included in the applicable limit of liability for loss at the location.

All of the terms of this policy apply irrespective of the application of any deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the **named insured** shall be adjusted at actual cost to him of labor and materials.

VI. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury**, **property damage** or loss which occurs during the policy period within the territory described in paragraph (1) or (2) of the definition of policy territory.

VII. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**automobile**" means a land motor vehicle or **trailer**, other land equipment capable of moving under its own power, equipment for use therewith and animal drawn equipment. This definition replaces the definition of **automobile** set forth in the Definitions Section;

"**automobile hazard**" means that one of the following hazards for which insurance is afforded as indicated in the schedule:

Automobile Hazard 1.

(1) The ownership, maintenance or use (including loading and unloading) of any **automobile** for the purpose of **garage operations**, and (2) the occasional use for other business purposes and the use for non-business purposes of any **automobile** owned by or in charge of the **named insured** and used principally in **garage operations**, and (3) the ownership, maintenance or use of any **automobile** owned by the **named insured** while furnished for the use of any person.

Automobile Hazard 2.

The use in connection with **garage operations** of any **automobile** which is neither owned nor hired by the **named insured**, a partner therein or a member thereof, or a member of the same household as any such person.

"**garage**" means an **automobile** sales agency, repair shop, service station, storage garage or public parking place;

"**garage operations**" means the ownership, maintenance or use of the premises for the purposes of a **garage** and all operations necessary or incidental thereto;

"**loss**" means direct and accidental loss of or damage to property;

"**medical expense**" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"**occupying**" means in or upon or entering into or alighting from;

"**premises**" means premises where the **named insured** conducts **garage operations**, and includes the ways immediately adjoining but does not include any portion of such premises upon which business operations are conducted by any other person or organization;

"**trailer**" includes semi-trailer.

VIII. ADDITIONAL CONDITIONS

A. Limitation of Coverage Under Any Other Liability Insurance Part

The insurance afforded under any other liability insurance made a part of this policy does not apply to **garage operations**, including the **automobile hazard**, for which insurance is afforded herein.

B. Insured's Duties in the Event of Loss

The **insured's** duties in event of loss under the Garagekeepers' Legal Liability Coverage shall be as provided in the Condition with respect to an **occurrence**, claim or suit. In the event of theft or larceny, the **insured** shall also promptly notify the police.

C. Medical Reports; Proof and Payment of Claim—Coverages I and J

As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or

ENDORSEMENT

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
 (12:01 A. M., standard time)

issued to Northern Commercial Company

by The Home Insurance Company

GARAGEKEEPERS' LEGAL LIABILITY
LOCATION OF PREMISES ENDORSEMENT

MAXIMUM NO.
OF CUSTOMERS
AUTOMOBILES STORES

LIMIT
of
LIABILITY

1. 907 Riverside, Mt. Vernon, Wash.	60	50,000.00
2. 111 E. Northern Lights Blvd. Anchorage, Alaska	300	150,000.00
3. 130-134 Washington Street Ketchikan, Alaska	60	50,000.00
4. N/S 3rd Ave. Between Turner & Barnett Fairbanks, Alaska	300	150,000.00
5. Pacific Highway S., Chehalis, Wash.	180	100,000.00
6. 1415 Harbor Way, Juneau, Alaska	60	50,000.00
7. Westside Campbell Station Road, Anchorage, Alaska	300	150,000.00
8. 17025 West Valley Hiway, Tukwila, Wash.	300	150,000.00
9. 1½ Mile North of Whitehorse, Y.T.	300	150,000.00
10. Tire Center, Kenai, Alaska	300	150,000.00
11. Stuse Highway, Fairbanks, Alaska	300	150,000.00
12. 230-46 East 1st Street, Anchorage, Alaska	60	50,000.00

All other terms and conditions of this policy remain unchanged.

Attachment #26

ALL INFORMATION
 CONTAINED
 HEREIN IS
 UNCLASSIFIED
 DATE 11-13-01
 BY 60321

Carl H. Smith
 Authorized Representative

PROTECTION AGAINST UNINSURED MOTORISTS INSURANCE



For attachment to Policy No. GA4 23 39 80, to complete said policy.

SCHEDULE

The insurance afforded is only with respect to the following Coverage as indicated by specific premium charge. The limit of the company's liability against such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Limits of Liability		Coverage	Advance Premium
\$ 15 ,000 each person	\$ 30 ,000 each accident	U—Uninsured Motorists	\$ Included
Form numbers of endorsements attached at issue			\$
			Total Advance Premium \$ Included
Designated Insured			
Description of Insured Highway Vehicles (Check appropriate box)			
<input checked="" type="checkbox"/> Any automobile owned by the named insured <input type="checkbox"/> Any private passenger automobile owned by the named insured <input type="checkbox"/> Any highway vehicle to which are attached dealer's license plates issued to the named insured <input type="checkbox"/> Any highway vehicle designated in the declarations of the policy by the letters "UM" and a highway vehicle ownership of which is acquired during the policy period by the named insured as a replacement therefor <input type="checkbox"/> Any mobile equipment owned or leased by and registered in the name of the named insured <input type="checkbox"/>			

Attachment #27

I. COVERAGE U—UNINSURED MOTORISTS

(Damages for Bodily Injury)

The company will pay all sums which the insured or his legal representative shall be legally entitled to recover as damages from the owner or operator of an uninsured highway vehicle because of bodily injury sustained by the insured, caused by accident and arising out of the ownership, maintenance or use of such uninsured highway vehicle; provided, for the purposes of this coverage, determination as to whether the insured or such representative is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the insured or such representative and the company or, if they fail to agree, by arbitration.

No judgment against any person or organization alleged to be legally responsible for the bodily injury shall be conclusive, as between the insured and the company, of the issues of liability of such person or organization or of the amount of damages to which the insured is legally entitled unless such judgment is entered pursuant to an action prosecuted by the insured with the written consent of the company.

Exclusions

This insurance does not apply:

- to bodily injury to an insured with respect to which such insured, his legal representative or any person entitled to payment under this insurance shall, without written consent of the company, make any settlement with any person or organization who may be legally liable therefor;
- to bodily injury to an insured while occupying a highway vehicle (other than an insured highway vehicle) owned by the named insured, any designated insured or any relative resident in the same household as the named or designated insured, or through being struck by such a vehicle, but this exclusion does not apply to the named insured or his relatives while occupying or if struck by a highway vehicle owned by a designated insured or his relatives;
- so as to inure directly or indirectly to the benefit of any workmen's compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any workmen's compensation or disability benefits law or any similar law.

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- the named insured and any designated insured and, while residents of the same household, the spouse and relatives of either;
- any other person while occupying an insured highway vehicle; and
- any person, with respect to damages he is entitled to recover because of bodily injury to which this insurance applies sustained by an insured under (a) or (b) above.

The insurance applies separately with respect to each insured, except with respect to the limits of the company's liability.

III. LIMITS OF LIABILITY

Regardless of the number of insureds under this policy, the company's liability is limited as follows:

- The limit of liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all damages because of bodily injury sustained by one person as the result of any one accident and, subject to the above provision respecting "each person", the limit of liability stated in the schedule as applicable to "each accident" is the total limit of the company's liability for all damages because of bodily injury sustained by two or more persons as the result of any one accident.

- Any amount payable under the terms of this insurance because of bodily injury sustained in an accident by a person who is an insured under this coverage shall be reduced by

- all sums paid on account of such bodily injury by or on behalf of
 - the owner or operator of the uninsured highway vehicle and
 - any other person or organization jointly or severally liable together with such owner or operator for such bodily injury,
 including all sums paid under the bodily injury liability coverage of the policy, and
- the amount paid and the present value of all amounts payable on account of such bodily injury under any workmen's compensation law, disability benefits law or any similar law.

- Any payment made under this insurance to or for any insured shall be applied in reduction of the amount of damages which he may be entitled to recover from any person insured under the bodily injury liability coverage of the policy.

- The company shall not be obligated to pay under this insurance that part of the damages which the insured may be entitled to recover from the owner or operator of an uninsured highway vehicle which represents expenses for medical services paid or payable under the medical payments coverage of the policy.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to accidents which occur during the policy period and within the United States of America, its territories or possessions, or Canada.

V. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"designated insured" means an individual named in the schedule under Designated Insured;

"highway vehicle" means a land motor vehicle or trailer other than

- a farm type tractor or other equipment designed for use principally off public roads, while not upon public roads;
- a vehicle operated on rails or crawler-treads; or
- a vehicle while located for use as a residence or premises;

"hit-and-run vehicle" means a highway vehicle which causes bodily injury to an insured arising out of physical contact of such vehicle with the insured or with a vehicle which the insured is occupying at the time of the accident, provided:

- there cannot be ascertained the identity of either the operator or owner of such highway vehicle;
- the insured or someone on his behalf shall have reported the accident within 24 hours to a police, peace or judicial officer or to the Commissioner of Motor Vehicles, and shall have filed with the company within 30 days

thereafter a statement under oath that the insured or his legal representative has a cause or causes of action arising out of such accident for damages against a person or persons whose identity is ascertainable, and setting forth the facts in support thereof; and

- (c) at the company's request, the insured or his legal representative makes available for inspection the vehicle which the insured was occupying at the time of the accident;

"insured highway vehicle" means a highway vehicle:

- (a) described in the schedule as an insured highway vehicle to which the bodily injury liability coverage of the policy applies;
- (b) while temporarily used as a substitute for an insured highway vehicle as described in subparagraph (a) above, when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction;
- (c) while being operated by the named or designated insured or by the spouse of either if a resident of the same household;

but the term "insured highway vehicle" shall not include:

- (i) a vehicle while used as a public or livery conveyance, unless such use is specifically declared and described in this policy;
- (ii) a vehicle while being used without the permission of the owner;
- (iii) under subparagraphs (b) and (c) above, a vehicle owned by the named insured, any designated insured or any resident of the same household as the named or designated insured; or
- (iv) under subparagraphs (b) and (c) above, a vehicle furnished for the regular use of the named insured or any resident of the same household;

"occupying" means in or upon or entering into or alighting from;

"state" includes the District of Columbia, a territory or possession of the United States, and a province of Canada;

"uninsured highway vehicle" means:

- (a) a highway vehicle with respect to the ownership, maintenance or use of which there is, in at least the amounts specified by the financial responsibility law of the state in which the insured highway vehicle is principally garaged, no bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such vehicle, or with respect to which there is a bodily injury liability bond or insurance policy applicable at the time of the accident but the company writing the same denies coverage thereunder; or
- (b) a hit-and-run vehicle;

but the term "uninsured highway vehicle" shall not include:

- (i) an insured highway vehicle,
- (ii) a highway vehicle which is owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law,
- (iii) a highway vehicle which is owned by the United States of America, Canada, a state, a political subdivision of any such government or an agency of any of the foregoing.

VI. ADDITIONAL CONDITIONS

A. Premium.

If during the policy period the number of insured highway vehicles owned by the named insured or spouse or the number of dealer's license plates issued to the named insured changes, the named insured shall notify the company during the policy period of any change and the premium shall be adjusted in accordance with the manuals in use by the company. If the earned premium thus computed exceeds the advance premium paid, the named insured shall pay the excess to the company; if less, the company shall return to the named insured the unearned portion paid by such insured.

B. Proof of Claim; Medical Reports.

As soon as practicable, the insured or other person making claim shall give to the company written proof of claim, under oath if required, including full particulars of the nature and extent of the injuries, treatment, and other details entering into the determination of the amount payable hereunder. The insured and every other person making claim hereunder shall submit to examinations under oath by any person named by the company and subscribe the same, as often as may reasonably be required. Proof of claim shall be made upon forms furnished by the company unless the company shall have failed to furnish such forms within 15 days after receiving notice of claim.

The injured person shall submit to physical examinations by physicians selected by the company when and as often as the company may reasonably require and he, or in the event of his incapacity his legal representative, or in the event of his death his legal representative or the person or persons entitled to sue therefor, shall upon each request from the company execute

authorization to enable the company to obtain medical reports and copies of records.

C. Assistance and Cooperation of the Insured.

After notice of claim under this insurance, the company may require the insured to take such action as may be necessary or appropriate to preserve his right to recover damages from any person or organization alleged to be legally responsible for the bodily injury; and in any action against the company, the company may require the insured to join such person or organization as a party defendant.

D. Notice of Legal Action.

If, before the company makes payment of loss hereunder, the insured or his legal representative shall institute any legal action for bodily injury against any person or organization legally responsible for the use of a highway vehicle involved in the accident, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded immediately to the company by the insured or his legal representative.

E. Other Insurance.

With respect to bodily injury to an insured while occupying a highway vehicle not owned by the named insured, this insurance shall apply only as excess insurance over any other similar insurance available to such insured and applicable to such vehicle as primary insurance, and this insurance shall then apply only in the amount by which the limit of liability for this coverage exceeds the applicable limit of liability of such other insurance.

Except as provided in the foregoing paragraph, if the insured has other similar insurance available to him and applicable to the accident, the damages shall be deemed not to exceed the higher of the applicable limits of liability of this insurance and such other insurance, and the company shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

F. Arbitration.

If any person making claim hereunder and the company do not agree that such person is legally entitled to recover damages from the owner or operator of an uninsured highway vehicle because of bodily injury to the insured, or do not agree as to the amount of payment which may be owing under this insurance, then, upon written demand of either, the matter or matters upon which such person and the company do not agree shall be settled by arbitration, which shall be conducted in accordance with the rules of the American Arbitration Association unless other means of conducting the arbitration are agreed to between the insured and the company, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Such person and the company each agree to consider itself bound and to be bound by any award made by the arbitrators pursuant to this insurance.

G. Trust Agreement.

In the event of payment to any person under this insurance:

- (a) the company shall be entitled to the extent of such payment to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury because of which such payment is made;
- (b) such person shall hold in trust for the benefit of the company all rights of recovery which he shall have against such other person or organization because of the damages which are the subject of claim made under this insurance;
- (c) such person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights;
- (d) if requested in writing by the company, such person shall take, through any representative designated by the company, such action as may be necessary or appropriate to recover such payment as damages from such other person or organization, such action to be taken in the name of such person; in the event of a recovery, the company shall be reimbursed out of such recovery for expenses, costs and attorneys' fees incurred by it in connection therewith;
- (e) such person shall execute and deliver to the company such instruments and papers as may be appropriate to secure the rights and obligations of such person and the company established by this provision.

H. Payment of Loss by the Company.

Any amount due hereunder is payable

- (a) to the insured, or
- (b) if the insured be a minor to his parent or guardian, or
- (c) if the insured be deceased to his surviving spouse, otherwise
- (d) to a person authorized by law to receive such payment or to a person legally entitled to recover the damages which the payment represents;

provided, the company may at its option pay any amount due hereunder in accordance with division (d) hereof.

(The Attaching Clause need be complete only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY—AUTOMOBILE

GENERAL LIABILITY—AUTOMOBILE
FAMILY COMBINATION—SPECIAL PACKAGE

GU 8882
(Ed. 11-69)

A 0021 - G 518

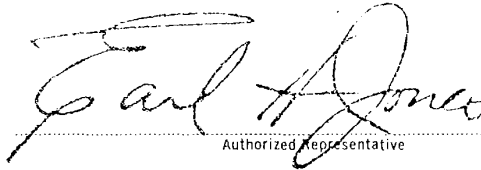
AMENDMENT OF SUPPLEMENTARY PAYMENTS — ALASKAN SUITS

This endorsement, effective _____, forms a part of policy No. _____

(12:01 A. M., standard time)

issued to _____

by _____


Authorized Representative

SCHEDULE

The named insured elects:

- ☐ Limited Supplementary Payments No Additional Premium
☒ Additional Supplementary Payments Additional Premium \$ 3.00

It is agreed that with respect to any suit in Alaska defended by the company under this policy, paragraph (a) of the Supplementary Payments Provision is amended as follows in accordance with the option elected herein by the insured:

1. Limited Supplementary Payments

If the named insured has elected not to pay the additional premium for the additional supplementary payments, the company shall not be obligated to pay that portion of any prevailing party's attorney's fees awarded by a court under "Alaska Civil Rule 82" which, when combined with judgments and payments, exceeds the limits of liability stated in the policy.

2. Additional Supplementary Payments

If the named insured has elected to pay the additional premium, the company agrees to pay all attorney's fees taxed against the insured as costs under "Alaska Civil Rule 82".



Attachment #31



CERTIFICATE OF INSURANCE

ISSUED BY

☒ THE HOME INSURANCE COMPANY

☐ THE HOME INDEMNITY COMPANY

This is to Certify, that policies in the name of

NAMED
INSURED
and
ADDRESS

Northern Commercial Company
Coleman Building
Seattle, Washington

THIS CERTIFICATE OF INSURANCE NEITHER
AFFIRMATIVELY NOR NEGATIVELY AMENDS,
EXTENDS OR ALTERS THE COVERAGE AFFORDED
BY ANY POLICY DESCRIBED HEREIN.

are in force at the date hereof, as follows:

KIND OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY	
			BODILY INJURY	PROPERTY DAMAGE
WORKMEN'S COMPENSATION		Eff. Exp.	Provided by Workmen's Compensation Law—State of	NIL
COMPREHENSIVE GENERAL LIABILITY		Eff. Exp.	\$,000 Each person \$,000 Each occurrence \$,000 Aggregate	\$,000 Each occurrence \$,000 Aggregate
MANUFACTURERS' AND CONTRACTORS' LIABILITY		Eff. Exp.	\$,000 Each person \$,000 Each occurrence	\$,000 Each occurrence \$,000 Aggregate
OWNERS', LANDLORDS' & TENANTS' LIABILITY		Eff. Exp.	\$,000 Each person \$,000 Each occurrence	\$,000 Each occurrence \$,000 Aggregate
CONTRACTUAL LIABILITY		Eff. Exp.	\$,000 Each person \$,000 Each occurrence	\$,000 Each occurrence \$,000 Aggregate
AUTOMOBILE LIABILITY <input type="checkbox"/> Owned Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-Owned Automobiles		Eff. Exp.	\$,000 Each person \$,000 Each accident	\$,000 Each accident
COMPREHENSIVE AUTO-MOBILE LIABILITY		Eff. Exp.	\$,000 Each person \$,000 Each occurrence	\$,000 Each occurrence
OTHER: Auto Physical Damage	GA4 23 39 80	Eff. 4/10/72 Exp. 3/1/75	ACV Comprehensive less \$100.00 Ded. \$250.00 Ded. Collision	

Applicable to: 1972 Ford 1/2 Ton Pickup S# F10GCN12482 & 1972 Dodge Dart Coupe
S# LL29C2B268539

10 Day

In the event of cancellation of said policies or a reduction in the limits of liability, the company will endeavor to give written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation or liability upon the company.

CERTIFICATE ISSUED TO:

Service Leasing Company

NAME
AND
ADDRESS

5/9/72 jr
DATED

AUTHORIZED REPRESENTATIVE

(The Attaching Clause need be compl only when this endorsement is issued subsequent to prepar of the policy.)

AUTOMOBILE

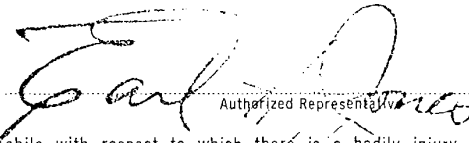
AL 8831
(Ed. 9-67)

A 888
UNINSURED MOTORISTS (FAMILY PROTECTION) COVERAGE AMENDMENT
(Insolvent Insurer)

This endorsement, effective (12:01 A. M., standard time), forms a part of policy No.

issued to

by


Authorized Representative

It is agreed that the term "uninsured automobile" includes an automobile with respect to which there is a bodily injury liability insurance policy applicable at the time of the accident but the company writing the same is or becomes insolvent.



Attachment #28

AUTOMOBILE

A 6200

AL 6080
(Ed. 7-66)

APPLICATION OF INSURANCE TO OWNER OF HIRED AUTOMOBILE

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
AUTOMOBILE MEDICAL PAYMENTS INSURANCE

This endorsement, effective 4/10/72
(12:01 A. M., standard time)

, forms a part of policy No. GA4 23 39 80

issued to Northern Commercial Company

by The Home Insurance Company


Authorized Representative

Description of Automobile:

All vehicles titled in the name
of D. L. Peterson Trust

Owner: D.L. Peterson Trust
Peterson, Howell & Heather, Inc.
PHH Leasing, Inc. & AFLC, Inc.
2701 North Cheales St. Baltimore,
Maryland

With respect to the hired automobile described above or designated in the policy as subject to this endorsement, it is agreed that:

- (1) The insurance applies as primary insurance.
- (2) Subject otherwise to the Persons Insured provision, the insurance covers as an insured the owner, any lessee (of whom the named insured is a sub-lessee) and any agent or employee of such owner or lessee, but only while such automobile is used in the business of the named insured as stated in the declarations, or by or on behalf of the named insured for personal or pleasure purposes, and subparagraph (ii) of the Persons Insured provision is amended accordingly.



Attachment #29

(The Attaching Clause need be comp only when this endorsement is issued subsequent to prepara f the policy.)

AUTOMOBILE

A 6200

AL 6080
(Ed. 7-66)

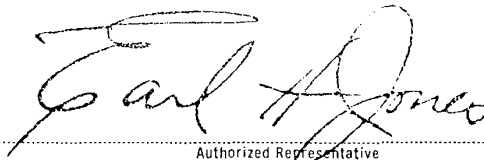
APPLICATION OF INSURANCE TO OWNER OF HIRED AUTOMOBILE

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
AUTOMOBILE MEDICAL PAYMENTS INSURANCE

This endorsement, effective 4/10/72, forms a part of policy No. GA4 23 39 80
(12:01 A. M., standard time)

issued to Northern Commercial Company

by The Home Insurance Company


Authorized Representative

Description of Automobile:

1972 Ford 1/2 Ton Pickup S# F10GCN12482 &
1972 Dodge Dart Coupe S# LL29C2B268539

Owner: Service Leasing Company

With respect to the hired automobile described above or designated in the policy as subject to this endorsement, it is agreed that:

- (1) The insurance applies as primary insurance.
- (2) Subject otherwise to the Persons Insured provision, the insurance covers as an insured the owner, any lessee (of whom the named insured is a sub-lessee) and any agent or employee of such owner or lessee, but only while such automobile is used in the business of the named insured as stated in the declarations, or by or on behalf of the named insured for personal or pleasure purposes, and subparagraph (ii) of the Persons Insured provision is amended accordingly.



Attachment #30